

SEANAD ÉIREANN

DÍOSPÓIREACHTAÍ PARLAIMINTE PARLIAMENTARY DEBATES

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Tuesday, 23 February 2010.

Chuaigh an Cathaoirleach i gceannas ar 2.30 p.m.

Paidir.
Prayer.

Election of Member.

An Cathaoirleach: I have to announce that today, 23 February 2010, the Taoiseach nominated Mr. Mark Dearey, with his prior consent, to fill the casual vacancy in the number of nominated Members of Seanad Éireann caused by the resignation of Déirdre de Búrca. I welcome him to the House and congratulate him on his appointment.

Senator Mark Dearey was introduced to the Cathaoirleach and then took his seat.

Business of Seanad.

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

The need for the Minister for Finance to examine the recent situation in which a bank operating in Ireland, details supplied, seriously breached liquidity regulations.

I have also received notice from Senator Fidelma Healy Eames of the following matter:

The need for the Minister for Health and Children to clarify, in respect of diagnostic laboratory services, her comments in Dáil Éireann on 8 December 2009 with respect to clinical laboratory services in the HSE.

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

[An Cathaoirleach.]

The need for the Minister for Transport to restore the Cork-Swansea ferry in advance of this year's tourism season.

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 Merville, County Donegal, and the precise reasons for current delays on these vital schemes.

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

The need for the Minister for Arts, Sport and Tourism to make a statement on the future role of Fáilte Ireland training centres in providing training courses for people who are unemployed in Cork, Dublin and Waterford, and to refer to the 2007 to 2009 figures.

I regard the matters raised by the Senators as suitable for discussion on the Adjournment. I have selected the matters raised by Senators Norris, Healy Eames and O'Donovan and they will be taken at the conclusion of business. The other Senators may give notice on another day of the matters they wish to raise.

Order of Business.

Senator Donie Cassidy: It is with great pleasure that I, as Leader of the House, welcome Senator Mark Dearey to the membership of the Government side of the House. Mark is a married man. He is married to Laura, has one daughter and, I understand, another baby is on the way. He is a family man, a retailer in Clanbrassil Street in Dundalk, a businessman coming to join the ranks of the Oireachtas, a publican and a music promoter.

Senator Paul Coghlan: That is a good combination.

Senator Donie Cassidy: He is a member of Louth County Council and a member of Dundalk Town Council. He has been heavily involved in many local issues and has made a remarkable contribution in his own local area. I wholeheartedly welcome him here today, as leader of the Fianna Fáil group and as Leader of Seanad Éireann. I wish him well in his political career and look forward to working along with him for the remaining two and half years of the lifetime of this Seanad.

Senator Paul Coghlan: Dream on.

Senator Jerry Buttimer: The Government is getting shakier.

Senator Donie Cassidy: The Order of Business is——

Senator Jerry Buttimer: The Leader might have to change it as he had to do last week.

An Cathaoirleach: Allow the Leader to continue without interruption.

Senator Jerry Buttimer: Will it be on Twitter?

An Cathaoirleach: Senator, please desist.

Senator Donie Cassidy: The Order of Business is No. 1, motion re draft directive on interpretation and translation in criminal procedures — referred to committee, to be taken without debate at the conclusion of the Order of Business; No. 2, motion re Disease of Animals Act

— back from committee, to be taken without debate at the conclusion of No. 1; and No. 3, George Mitchell Scholarship Fund (Amendment) Bill 2010 — all Stages, to be taken at the conclusion of No. 2, on which spokespersons may speak for 12 minutes, all other Senators for seven minutes, on which Senators may share time by agreement of the House, and the Minister to be called upon to make closing comments at the conclusion of Second Stage.

Senator Frances Fitzgerald: I welcome Senator Mark Dearey to the House and congratulate him on his appointment. It is an honour to be appointed to this House. I congratulate him on that. He arrives at an eventful time in politics and perhaps an eventful and challenging day for the Green Party. I congratulate Senator Dearey on his appointment to this House.

A serious issue has arisen today in regard to a Minister of the Government. It is reported that a Minister of State tried to influence the Garda to stop a prosecution and that the said Minister of State, Deputy Sargent, sent a series of letters to the force telling it that it would be wholly inappropriate at this point to prosecute one of his constituents. Apparently, a series of letters were sent to the Garda by the Minister of State. I would very much like to hear the Minister of State make a statement on these facts because very serious questions arise in relation to some of the information which has been published so far. A Minister cannot interfere during the course of a criminal investigation to have a summons dropped. This is not an acceptable standard. Will the Leader clarify if the Minister for the Environment, Heritage and Local Government, Deputy John Gormley, and the Taoiseach will have another meeting today to discuss this matter which raises serious questions about the relationship between the legal process, politics and a Minister's behaviour? I note there has not been a tweet out of Senator Dan Boyle on it.

An Cathaoirleach: We are taking questions to the Leader.

Senator Jerry Buttimer: They are embarrassed again.

Senator Frances Fitzgerald: I raise a most serious issue facing the country, the lack of credit for small businesses. It is choking businesses up and down the country. I am sure every Senator has been approached by people running small businesses who are desperate to obtain credit, who have had overdrafts slashed and are finding it very difficult to survive. If we are to encourage and support businesses at this critical time, credit will have to flow again and we will have to find a mechanism to allow this to happen. It appears the Government's banking strategy is unravelling. It is time, therefore, for a Minister to come to the House to discuss banking policy. We have witnessed some unexpected events in the past few days which were different from what the Government had expected, specifically as regards the bank dividend. Land values are plummeting and there have been extraordinary falls in valuations. All of this has implications for NAMA and the write-down, as well as for the taxpayer. I ask the Leader to arrange a debate as soon as possible on the Government's approach to banking and the actions it intends to take to ensure the flow of credit.

Senator Joe O'Toole: I extend congratulations from these benches to Senator Dearey. It is important that people put their names forward for public representation at a time when politics is not really the dish of the week for most. I thank Senator Dearey for so doing. I welcome him and wish him well. His appointment raises an issue about methods of election and nomination but it seems to have been ignored by the Government parties. As the Green Party has an input, I ask the Senator to speak to his party leader in order to advance the issue. I am very impressed by the despatch at which the Government dealt with the filling of the vacancy. I presume we can look forward to witnessing an equally enthusiastic approach to the Donegal South-West and Dublin South by-elections.

Senator Donie Cassidy: Will the Senator be standing for election?

Senator Joe O'Toole: County Louth is very well represented in the Seanad. We look forward to all the delegates from the county telling us how we should do business and make an input. I congratulate the Senator and wish him well.

The issue raised by Senator Fitzgerald about the banks is a very important one. I support, in general, the Government's banking policy, although it is not handling the issue well and is misleading time and again. I have had to explain Government policy on a number of occasions when people did not understand what was going on. Senator Fitzgerald is right that there was an unexpected development over the weekend when, instead of getting €250 million, the Government received shares from Bank of Ireland. In itself, that is not bad but, given the discussion on the availability of credit, we should note there has been a positive spin-off which should be welcomed by all parties. Bank of Ireland now has an extra €250 million to deal with normal banking activities which brings us closer to the point where credit will be extended to small and medium businesses and people seeking mortgages. There is a positive side which should be welcomed but I did not hear Government representatives say this over the weekend. There are issues that we must all consider, including the recapitalisation of the bank in the next month or year. That is part of the process and not a big deal.

The Leader should take special note of my next point. There has been an argument across the House between the Government and Opposition sides about the extension of credit. In the course of the passage of the NAMA legislation there was a major argument when the Government rejected a proposal from Fine Gael that the Minister be given the power to force the banks to extend credit. I made it clear at that stage that this could not be done. I also made it clear here last week that the Minister of Finance, in spite of being accused of saying that he would force the banks to extend credit following the development of NAMA, never actually said that. However, he has led people to believe it, and he did it again yesterday morning on "Morning Ireland", when he stated there would be legislative measures to ensure credit was extended to businesses that needed it. That is magic speak and double talk. He is letting people hear what they expect to hear, but it is not what he said at all. One minute later on the programme, he said that the new legislation next month would ensure that credit could be extended to small and medium enterprises. People again hear that this is something new.

An Cathaoirleach: The Senator has gone way over time.

Senator Joe O'Toole: We do not need legislation to allow credit to be extended. The ability to do that is in place at the moment. It would be much more honest if people were told exactly what the situation is and when, where and how credit will be extended.

Senator Alex White: I join with others in welcoming Senator Mark Dearey to the House and I wish him well. The benches opposite are changing Members with dizzying frequency at the moment, and I think Senator Dearey, who I do not know but of whom I know, will add considerably to the business and work of this House. I wish him well in that regard.

I do not want to say too much about the developments this morning in respect of the Minister of State, Deputy Sargent, because Senator Fitzgerald already raised the issue. However, if what was reported turns out to be the case and it is necessary or inevitable that the Minister of State would have to resign, I appeal to him to do it in a dignified manner, as would be consistent with the man——

An Cathaoirleach: That is not relevant.

Senator Alex White: I find it extraordinary that you should say it is not relevant.

An Cathaoirleach: I am not saying that. You have raised a question and I would leave it at that.

Senator Alex White: It is spectacular to suggest that public discourse and public trust in the institutions of the State, including the Government, would not be relevant to the Parliament. I am not seeking to stir it at all. In fact I am looking for the opposite, so that we do not have the sort of spectacle we had last week, where a resignation had to be dragged from a Minister, where people were sent on radio and television saying that he had done no wrong but then seemed to change their minds.

An Cathaoirleach: That is a matter for the person concerned and for the other House.

Senator Alex White: It is a matter for the public. If it is not a matter for this House, then what is a matter for this House?

I ask the Leader for a debate on the banks. Senator O'Toole seems to be in a better position to explain Government policy than the Government. He is right to say there is double speak and double think on this issue of credit. The principal basis upon which NAMA was advocated by the Minister for Finance, put through these Houses and supported by Members on the Government side was that it would lead to the availability of credit to small businesses. Every time anybody on the Government side says anything about NAMA, they claim that it is necessary so that credit can be provided to business. It is not leading to the provision of credit to business at all. We now have a policy that is not clear and is in a mess, and when the Labour Party was told a year ago that our position on nationalisation was ideologically based, the Minister is now doing precisely what we said he ought to have done in the first place. Let us have that debate on the banks as soon as we can.

Senator Dan Boyle: I welcome my friend and colleague, Senator Mark Dearey, to this House. He has been a member of Louth County Council and of Dundalk Town Council for five years before that. Along with his colleagues in County Louth, he helped deliver the best Green Party performance in the previous local elections which were otherwise quite poor and difficult for our party. He has shown himself to be a person who is able to connect and represent people in his local community. He will be an asset to the House, as he has a background in running a successful business, the Spirit Store in Dundalk, which background will inform many of the debates in the House regularly called for on the Order of Business, particularly on the difficulties facing small business. I look forward to hearing his contributions on these subjects.

As has been pointed out, this is a day which has consequences for other friends and colleagues of ours. It also happens to be Senator Dearey's daughter's birthday and I hope when this day is remembered, it will be for the best personal and family reasons.

On the other issues raised, particularly as they reflect on the other House, a statement will be made after the Order of Business in the other House which will help to inform the situation. We must avoid the instant politics that some in the media expect from representatives.

Senator Jerry Buttimer: Senator Boyle did a good job in that regard last week.

Senator Nicky McFadden: He is the best at it.

Senator Dan Boyle: Far from it, my reflections are made after heavy consideration.

Senator Jerry Buttimer: They are heavy all right; the Senator is right about that one.

Senator Dan Boyle: I ask other Members to do the same. I know the individual involved is a decent and honourable man and will react accordingly.

[Senator Dan Boyle.]

On the wider issue, I would also welcome a further debate on banking. Those of us who are also members of the British Irish Parliamentary Assembly were fortunate enough to hear a presentation by the Governor of the Central Bank, Professor Patrick Honohan. If other Members had direct access to that presentation, it would give them confidence that the right strategy is being pursued by people of ability and competence and that it will see us through to the long-term goal.

Senator Jerry Buttimer: What was the Taoiseach like?

Senator Dan Boyle: We will have that debate and measure progress because the onus is on us to achieve progress.

Senator Paul Coghlan: I add my voice to the words of welcome for Senator Mark Dearey whom I wish him. I am delighted to see another businessman in the House.

Senator Terry Leyden: Another vote for Senator Coghlan.

Senator Paul Coghlan: We have heard from Senators Fitzgerald, White, O'Toole and Boyle. The most urgent need in restoring faith in the economy is to restore faith in the banking system. The lack of credit is at the heart of this. I propose an amendment to the Order of Business to allow us to have a debate on banking today. It is urgent because, no matter what is being said, the opposite is happening. There is a form of creeping nationalisation which is totally at variance with the Government's promises. The State, by stealth or otherwise, is increasing its shareholding in the two major banks. I am aware this has to do with the Commission's ruling on state aid but the question is when will Brussels speak definitively on the matter. The plans of the banks were laid before the Commission in December and the ECB president, Mr. Jean-Claude Trichet—

An Cathaoirleach: These points can be made if the Leader agrees to have a debate.

Senator Paul Coghlan: That is why I am proposing the amendment.

An Cathaoirleach: The Senator has sought a debate and the Leader has agreed.

Senator Paul Coghlan: I am giving a reason I have proposed the amendment.

An Cathaoirleach: That is not necessary.

Senator Paul Coghlan: He has stressed the need for an urgent response to the plans mentioned. I want to hear from the Leader who is the conduit between the Government and the House about that response and the Commission's plans. The Commission must get off its butt and give an answer to the banks and the Government in order that we can get on with saving the banking system and boosting the economy. For that reason, I propose the amendment to the Order of Business that the debate be taken today.

Senator Marc MacSharry: I also welcome Senator Dearey to the House and wish him well in the years ahead. I am sure we will benefit greatly from his contributions.

I also support the calls made for a debate on banking, particularly on the availability of credit.

It was announced in Paris last week that the world rally championship would not return to Ireland in 2011. This was to be the largest sports event to take place in Ireland next year. When rounds of the world rally championship were held here in 2007 and 2009, they contributed over €100 million to the economy, attracted 600,000 visitors and were watched by 800 million people

across the globe. That kind of promotion cannot be bought; neither can it be produced by the diplomatic corps, IDA Ireland or anybody else. In the light of the decision of the governing body of world motor sport not to hold a round of the championship here, a task force comprising representatives of the Departments of Foreign Affairs and Arts, Sport and Tourism, Fáilte Ireland and Tourism Ireland should be set up and chaired by a representative of the Tánaiste's office. If it were a business which produced revenue or promotional opportunities of the type to which I refer, we would be jumping up and down about its being moved elsewhere. I urge the Leader to arrange a debate on the matter. As part of such a debate, we could focus on sports tourism and what it has brought to the country and what it could bring here in the future. We could also discuss the tragedy of last week's decision to exclude Ireland as a host nation for one of the rounds of the world rally championship. I am seeking a debate on the matter because the main reason for our exclusion from the 2011 calendar is personality differences and bickering between those involved in Fáilte Ireland and Motorsport Ireland. It is inexcusable that such differences can have such detrimental effects on the economy.

An Cathaoirleach: Many Members wish to speak on the Order of Business. Time is limited and it is unlikely that I will be in a position to call everyone if those Members called use up the two minutes allotted to them. I ask Members to be brief.

Senator Feargal Quinn: I also welcome Senator Dearey. As one who began his career as a retailer in Dundalk, it is great to have another retailer from that part of the wee county in the House.

There are occasions when we continually request particular debates on the Order of Business. This is one such occasion. The issue of banking certainly requires attention and we must not wait until the introduction of the Finance Bill to debate it. I hope the Leader will be in a position to indicate when the Bill will be brought before the House. In the meantime, there is a need for a debate on banking. Like Senator Boyle, I met the new Governor of the Central Bank and Financial Services Authority of Ireland, Professor Patrick Honohan, yesterday and I must state I am impressed by him. Regardless of the different views of banking, once a decision has been made we must support it.

3 o'clock

Senator Eoghan Harris: Hear, hear.

Senator Feargal Quinn: I support Senator O'Toole's comments on loans. Regardless of whether we part own any of the banks, I do not want the Government to instruct them to give money to certain small businesses. Of course, we want credit to be extended to small and medium-sized enterprises. On the other hand, we do not want people to direct that money be given to such enterprises or any other business. Allowing such behaviour to occur would bring about the end of banking and also the making of sensible business decisions. The question of the extension of credit must be considered in a different way. Let us ensure the banks in which we have a stake are run on a commercial basis.

In December I raised the topic of America's insistence that 100% container scanning be introduced from July 2012. The introduction of the necessary equipment will give rise to major costs because the US authorities have indicated that from July 2012 any container entering that jurisdiction will first have to be scanned at its port of origin. Such equipment will not be put in place at US ports to scan items for export. This will have a major effect on international trade and prove to be a major disadvantage to countries in Europe and others. I understand the need for the United States to introduce the relevant security measures. In that context, this matter will probably be resolved at European rather than national level. I, therefore, urge the

[Senator Feargal Quinn.]

Tánaiste and Minister for Enterprise, Trade and Employment, Deputy Mary Coughlan, to discover what we must do to ensure Irish jobs will be protected.

Senator Ann Ormonde: I also welcome Senator Dearey and look forward to working with him. It is great that his family are present to share in this lovely occasion.

I endorse the points made by previous speakers on the need for the Minister of State at the Department of Agriculture, Fisheries and Food to come before the House at some stage. However, it is not possible for us to snap our fingers and state he must come before us this afternoon. That is what the amendment is about and it does not make sense. We would ask the Leader to try to bring the Minister in as soon as he can possible make it, but to snap one's fingers and state he must attend this afternoon does not carry weight.

I endorse all the points made on why credit is not being given. I do not understand why we cannot get credit moving again. It is a simple question to which I do not know the answer.

Senator Fidelma Healy Eames: We did not get any guarantee. That is why.

Senator Ann Ormonde: Perhaps the Minister will come to the House and give simple answers to the question. Another issue which is very interesting is the ESRI study of family formation over a 20-year period from 1986 to 2006. It examined the correlation between low educational attainment and high rates of pregnancy. It also examined the non-standard families that exist today. This study provides us with another opportunity to examine the future of society and how best to move it forward, which I have raised on many occasions. I do not call for a debate because we have much more important issues at present, but I would like the Leader to include it on his agenda at some stage when he finds an opportunity to do so.

Senator Fidelma Healy Eames: I propose an amendment to today's Order of Business to invite the Minister for Education and Science to the House to discuss the escalating crisis in our schools which threatens to bring them to a halt. Is the Government concerned about the news that teaching unions have directed their members from 8 March not to carry out middle management duties of teachers not replaced as a result of the moratorium? Let us consider what will be affected if teachers stop carrying out these duties. This involves year heads who supervise hundreds of students, teachers who arrange transition year and leaving certificate applied programmes, and teachers who set exams and manage timetables. This type of action, if it is not headed off now, will bring our schools to a halt. This is very bad news for education.

Senator Jerry Buttimer: Hear, hear.

An Cathaoirleach: Senator Healy Eames has proposed an amendment to the Order of Business. If the Leader agrees to it all of this can be discussed.

Senator Fidelma Healy Eames: I am asking the Leader now——

An Cathaoirleach: It is not necessary to continue telling us about it. It can be done on the debate.

Senator Fidelma Healy Eames: I am asking the Leader to call on the Minister to intervene urgently with the unions to reach an arrangement so our schools are not brought to a halt. I appreciate the Leader taking my amendment to the Order of Business.

Senator Terry Leyden: We are not taking it.

Senator Denis O'Donovan: I call for a debate on the separation of powers. In the previous Dáil, as Chairman of the Joint Oireachtas Committee on the Constitution, I publicly and strongly put forward the suggestion that any interference or contact by Oireachtas Members with members of the Garda Síochána in particular should be outlawed. At that stage there was no cross-party support for such a move. It is an issue that should be debated in the House. A precedent has developed over the years whereby the Minister for Justice, Equality and Law Reform has been approached on the mitigation of fines and such matters. I call for the outlawing once and for all of this type of approach by e-mail, correspondence or phone call. I feel very strongly about this matter.

I re-iterate to the Leader my plea to him for a debate on the fishing industry. He promised it to me last year but we are now in 2010. I hope it can be dealt with, especially as we will have a European review of the Common Fisheries Policy that has critical implications for the Irish fishing industry. In this regard, a side issue of sea fishing is that of aquaculture and mariculture. Almost 20 years ago the fishing industry, the Department and people involved in fish farming had an aspiration for a certain level of tonnage, whether it be farmed salmon, trout, mussels, clams or abalone. The strategy has fallen short of what was envisaged in the early 1990s. There should be a debate on the issue because countries such as Chile, Norway, France and the Netherlands are leaving us behind. There is great potential for job creation in this industry because there are lots of bays and the oceans are extensive. The matter should be viewed as an opportunity to create environmentally friendly jobs that would benefit the island of Ireland. We have failed thus far to exploit the natural potential of the seas.

Senator Dominic Hannigan: I join others in welcoming Senator Dearey to the Chamber. I have known the Senator for some and fought the good fight with him against the incinerator in County Meath. I can attest, therefore, to his many strengths. I have also enjoyed partaking of some refreshments in the Spirit Store and would recommend the establishment to everybody.

Senator Paul Coghlan: We will all have to go.

Senator Dominic Hannigan: With the Senator's appointment, Louth County Council is haemorrhaging members. Two former members are in the Seanad and I suspect this is because people are worried about the threat posed by Councillor Gerald Nash.

An Cathaoirleach: The Senator is a good canvasser but he should put questions to the Leader.

Senator Dominic Hannigan: In regard to SR Technics, I return to an issue debated last week. The Taoiseach stated in the other House that a competition had been held for the lease of hangar 6. I searched the newspapers and as I could not find a report on any such competition, I would like the Leader to ask the Taoiseach to indicate when the competition was advertised, what were the selection criteria and who carried out the evaluation.

Senator John Hanafin: I join other Senators in calling for a debate on banking. I am particularly conscious of the calls made today to focus on the lack of credit. While Opposition Members have rightly focused on this issue, they are incorrect to question whether it is a good idea for the banks to retain €250 million rather than give bank shares to the Government. That sum of money could allow lending of €2.5 billion in each of the two banks in question. We have also heard complaints about the claim that credit will flow as a result of NAMA. Credit will flow by virtue of the toxic loans being taken from the banks.

Senator Eugene Regan: I second Senator Coghlan's amendment to the Order of Business to discuss the banking crisis. I was given to understand by the Leader that we would have held a debate several weeks ago on the banking crisis and NAMA, in particular. The issues are now so acute and urgent that a debate is required today.

I understand from Senator Boyle that the Minister of State at the Department of Agriculture, Fisheries and Food, Deputy Trevor Sargent, is to make a statement in the other House later today. This is a serious issue and I hope it will be resolved. All of the issues with we have been dealing for several weeks do not concern personalities but the system of justice and its administration. Any interference in that system, particularly by Members of the Oireachtas, is entirely inappropriate.

A further statement is required from the Taoiseach in the light of a report on the Dublin Docklands Development Authority which points out that, as Minister for Finance, he had responsibility for increasing the cap on borrowing which allowed the authority to enter into the disastrous deal on the Glass Bottle site leaving it with a deficit of €213 million. The then Taoiseach in waiting held a private meeting with Mr. Seán Fitzpatrick and the directors of Anglo Irish Bank. This was not included in the public engagements list. In September 2008 he expressed a particular view on the bank guarantee and whether the aforementioned bank should be considered as being of systemic importance and in the same category as the other banks. He should make a statement setting out what is and was his relationship with Mr. Fitzpatrick. At this remove that relationship looks somewhat suspect——

An Cathaoirleach: Senator Regan has put his question to the Leader.

Senator Eugene Regan: ——when one reviews the particular instances. That is my question to the Leader.

Senator Geraldine Feeney: That last comment was uncalled for. Senator Regan has no basis for saying that.

An Cathaoirleach: No interruptions please.

Senator Terry Leyden: Senator Regan is on the next assassination list.

An Cathaoirleach: Senators should ask questions of the Leader. Senator Leyden should not mind any Member on the opposite side of the House.

Senator Terry Leyden: I welcome Senator Mark Dearey.

Senator Jerry Buttimer: Talk to Senator Boyle about that.

An Cathaoirleach: No interruptions now.

Senator Jerry Buttimer: He is inviting comment. He is misleading the House.

An Cathaoirleach: There is lots of space outside for those interrupting.

Senator Terry Leyden: Exactly. Thank you a Chathaoirligh——

Senator Fidelma Healy Eames: That is where they are all going.

Senator Jerry Buttimer: That is where they are all going at the moment over there.

Senator Terry Leyden: —for an opportunity to speak in the House, which is very difficult as I keep being interrupted.

An Cathaoirleach: I would appreciate it if Senator Leyden would ask his question.

Senator Terry Leyden: I welcome Senator Mark Dearey to this House and congratulate him on being appointed by the Taoiseach, Deputy Brian Cowen. It is a great honour. It is the easiest election he ever fought. I welcome his wife, Laura, his daughter, and all his family, friends and supporters who are here. It is a great honour to serve in this House and in the Oireachtas. Senator Dearey is following a tremendous record. Six Members of the Oireachtas are from County Louth. The latest ones, Senators James Carroll and Mark Dearey—

An Cathaoirleach: They are irrelevant questions for the Leader. A large number of Members are offering and time is limited.

Senator Terry Leyden: Senator Mark Dearey was involved—

An Cathaoirleach: There will be time for canvassing later.

Senator Paul Coghlan: No canvassing allowed on the Order of Business.

An Cathaoirleach: We are on the Order of Business.

Senator Terry Leyden: Questions to the Leader. I am very concerned about the difference in the price of diesel and petrol throughout the country. In the past few hours I carried out a survey in County Cavan where the price of petrol is 126.9 c per litre and 118.9 c per litre for diesel at a Maxol station. I understand from my colleague, Senator Brian Ó Domhnaill, that in Donegal the price is 110.9 c for diesel and 118.9 c for petrol. There is a big difference. On the way to Dublin from Cavan today the price of petrol at the Maxol station in Clonee was 128.9 c and 119.9 c for diesel. Topaz prices were 127.9 c and 119.7 c.

Senator Maurice Cummins: Name and shame.

Senator Terry Leyden: The point I am making—

An Cathaoirleach: That is what we would like to hear.

Senator Terry Leyden: We need to be wary of the prices. I would not like to rely on the Fine Gael website because its prices are from 2008, which is outdated.

An Cathaoirleach: Time up.

Senator Joe O'Reilly: Diesel prices are no higher in Cavan than anywhere else.

An Cathaoirleach: Time up.

Senator Terry Leyden: The prices are from October 2008.

Senator Joe O'Reilly: On a point of information.

Senator Terry Leyden: If one is relying on the Fine Gael website—

An Cathaoirleach: Senator Leyden has gone way over his time.

Senator Terry Leyden: —one will find they are out of date.

Senator Joe O'Reilly: Diesel prices are no higher in Cavan than anywhere else. I want that remark withdrawn.

Senator Terry Leyden: That is right.

Senator Joe O'Reilly: Can that remark be withdrawn?

An Cathaoirleach: Please. I call Senator Norris.

Senator Terry Leyden: But I did not say that.

Senator Joe O'Reilly: Diesel prices in Cavan are lower than in most places and no higher.

An Cathaoirleach: I ask both Senators to resume their seats.

Senator Terry Leyden: They were the results of my survey.

An Cathaoirleach: Senator Leyden has made his point.

Senator Joe O'Reilly: Is it in order that the House has been misled about the price of diesel in Cavan?

Senator Terry Leyden: Name and shame. That is what it is called. I would check it out.

Senator David Norris: I join in the welcome to Senator Dearey. I also express my sorrow at what I understand is the imminent resignation of Deputy Trevor Sargent as Minister of State. I have known him for many years. I know him to be an honourable, decent, hard-working man. I am not sure of the circumstances but I expect there is some element of mistake as well as perhaps some error of judgment. I do not know, but I regret his leaving Government, which will be weakened.

I join the calls for a debate on the economy and banking. I do not agree with my friend, Senator O'Toole, that the issue of shares by Bank of Ireland rather than paying the debt is no big deal. It is certainly a big deal for the shareholders whose holdings will be further diluted. I agree with Senator Quinn who seemed to indicate that it would be a disastrous mistake to allow a Government to direct the exchange of credit to specific companies. There is no surer guarantee of corruption and the accusation of corruption. We should include in this debate a general debate on the economy.

Over a number of years I have raised the dangerous business of allowing upward-only rent reviews. We had it in Grafton Street and we have just had an astonishing case in Cork where a successful business, The Carphone Warehouse, was subjected to an increase from €39,000 to €205,000. Talk about garrotting the goose that lays the golden egg. That is absolute insanity in the middle of a financial difficulty. We need to expose this kind of idiotic attempt at profiteering by certain institutions in the State.

Senator Niall Ó Brolcháin: I welcome my friend and colleague, Senator Mark Dearey, to the Chamber. Today is a baptism of fire for him. He is a man of great integrity and he will prove to be a great Senator over the next two and a half years. The Green Party nominees will not change during that time. I wish his daughter, Stella, a happy birthday today and I also welcome his family, friends and colleagues to the Visitors Gallery.

Senators Fitzgerald and Alex White seem to find it more important to raise the constituency representations of Deputy Sargent than to call for a banking inquiry.

Senator Frances Fitzgerald: Do not be ridiculous.

Senator Niall Ó Brolcháin: The proposed amendment to the Order of Business is a little hollow when the leaders of the Opposition parties consider it more important to bring personality politics into play.

Senator Paul Coghlan: That was not the intention.

Senator Frances Fitzgerald: It is a legal issue. I did not engage in personality politics.

Senator Niall Ó Brolcháin: I call for a debate on the arts. We are in a deep recession and circumstances are difficult for many people. I attended an interesting debate on the arts last night. It is important that we place a high priority on them. During recessions, arts very much come to the fore and it is important that people be allowed to express themselves in an artistic fashion.

An Cathaoirleach: I have asked Members on numerous occasions not to bring mobile telephones into the Chamber and leave them turned on. I will have to seek permission from the Committee on Procedures and Privileges for a blanket ban on them in the Chamber.

Senator David Norris: Hear, hear.

Senator Paul Coghlan: The Cathaoirleach would be right.

Senator Jerry Buttimer: Déanaim comhghairdeas leis an Seanadóir nua, Mark Dearey. I wish him and his family well on his appointment.

When it is it proposed to have a debate on job creation? Does the Leader agree on the basis of the remarks made by Professor Honohan that he will be judged on whether credit flows to business, job creation and the jailing of bankers who acted illegally and who are held to account for their actions? That will be the measure of the man, the banking profession and the Government.

It is about time we had a Government that acted with authority. When will the Dublin Docklands Development Authority report be published? Are the Taoiseach and the Minister for the Environment, Heritage and Local Government at odds with one another?

When will the Government take action on accountability and standards in office? Senator Boyle can make smart comments and use Twitter.

An Cathaoirleach: The Senator should not address comments to other Members.

Senator Jerry Buttimer: The reality is the people are frustrated, cynical and downright fed up of him and his party and they want them out of office. His party, more than any other, has brought shame on the body politic and it is time it was gone.

Senator Dan Boyle: No, it has not.

Senator Jerry Buttimer: I second Senator Healy Eames's amendment to the Order of Business.

Senator Mary M. White: It is my pleasure to welcome our new colleague, his wife, family and friends. Having been born in Dundalk it is great to acknowledge that four Members were born in County Louth, which is 7% of the Seanad's membership. We are entrepreneurial and feisty and we have a tremendous and distinctive work ethic.

An Cathaoirleach: The Senator should ask a question of the Leader.

Senator Mary M. White: The major challenge we face in the economy is to get the more than 400,000 people unemployed back into the workforce and to ensure the stability of companies that are wavering in terms of survival. We need the smart economy agenda. This phrase is bandied about and people do not understand what it means. The smart economy agenda is about increasing productivity throughout the economy and about being open to new ideas and new and better ways of doing things. We must continue to invest in research and development. This, coupled with revitalising Irish entrepreneurship, will be the cornerstone of the next wave of economic development. Tragically, the body responsible for promoting science and innovation, Science Foundation Ireland, has had its budget for 2010 cut by 9%. This constitutes a reduction of 25% on the original planned 2010 allocation under the strategy for science, technology and innovation. Since the establishment of Science Foundation Ireland in 2003, the pool of talent in the higher education institutes has increased considerably. While there are 2,500 quality scientists and engineers within the third level system, owing to the changes in the budget for 2010 we will see a significant reduction in these numbers. Science Foundation Ireland estimates that 400 to 500 researchers will be lost by the end of the year.

Senator Maurice Cummins: Who cut that budget?

Senator Fidelma Healy Eames: Whose fault is it?

Senator Mary M. White: Last week I called——

Senator Jerry Buttimer: Who cut that budget?

An Cathaoirleach: Members, please.

Senator Mary M. White: ——for an urgent meeting with the Minister for Education and Science regarding the underperformance of pupils in Ireland in post-primary schools in mathematics.

Senator Fidelma Healy Eames: Agreed.

Senator Mary M. White: This is urgent and——

An Cathaoirleach: I thank the Senator.

Senator Mary M. White: An urgent discussion is required, as is a statement from the Minister of State with responsibility for science and technology on future directions if research and development are not being performed.

Senator Fidelma Healy Eames: Hear, hear.

Senator Eoghan Harris: I also welcome Senator Dearey to the House. He comes from a part of the country with which I have links but I daresay Senator Cassidy also will discover links to add to the four Members Senator Mary White has mentioned.

An Cathaoirleach: There has been a lot of canvassing today.

Senator Eoghan Harris: He is a man who comes from a part of the country which was dominated for years by my great political hero, Brendan McGahan, the man who stopped Slab Murphy from taking a lot of money from *The Sunday Times* because of the honesty of his evidence. I welcome Senator Dearey and hope he will make a hard-headed contribution to what is frequently a highly romantic and misty-eyed House.

Senator Terry Leyden: Not much evidence of that today.

Senator Eoghan Harris: In respect of that romanticism, please allow me to remind Senator Regan of what happened to Savonarola, the Italian monk who set himself up as a paragon of virtue.

Senator Geraldine Feeney: Hear, hear.

Senator Eoghan Harris: Those who take the high moral ground are giving many hostages to fortune. There is no cut and dried position in respect of representations to Ministers for Justice, Equality and Law Reform. There has been a long and admittedly bad political culture of making such representations but one cannot make up morality as one goes along.

An Cathaoirleach: Questions, please.

Senator Eoghan Harris: Until there is in place a proper code of conduct, it is wrong that a fine Minister of State such as Deputy Trevor Sargent should be obliged to resign today on this issue, if he is to resign. I wish him well, as he has been a very good Minister of State and this kind of moral finger-wagging is very dangerous. The great Soviet dissident, Joseph Brodsky, told the politically correct girls of Brown University to keep that index finger in one's pocket because some day it would become a bullet in one's own head.

Senators: Hear, hear.

Senator Eugene Regan: On a point of order, Senator Harris has accused me of adopting the high moral ground.

Senator Dan Boyle: Which Standing Order is the Senator quoting?

Senator Eugene Regan: What I am talking about——

Senator Dan Boyle: Name the Standing Order.

Senator Eugene Regan: ——is basic decency in politics.

Senator Geraldine Feeney: The Senator is out of order and should sit down.

Senator Eugene Regan: I take——

(Interruptions).

An Cathaoirleach: No, the Senator has contributed.

Senator Eugene Regan: I refer to basic standards, a code of conduct——

Senator Geraldine Feeney: The Senator knows a lot, yet knows nothing.

Senator Eugene Regan: I refer to the normal code that applies to Members of the Oireachtas.

An Cathaoirleach: The Senator should resume his seat.

Senator Geraldine Feeney: The Senator should sit down. He is only making an ass of himself.

Senator Eugene Regan: Senator Harris is out of order.

An Cathaoirleach: Senators, please. We appear to be discussing a resignation that has not taken place.

Senator David Norris: This is an illustration of a point of order that came out as a point of philosophy.

An Cathaoirleach: Please, Members should not discuss a resignation that has not taken place.

Senator Jerry Buttimer: The Cathaoirleach did not stop Senator Harris from doing so.

Senator Jim Walsh: First, I join in the congratulations and good wishes extended to Senator Dearey. His business experience will be a valuable addition in the real challenges Members face on economic issues. Senator Mary White has correctly pointed out that the focus should be on the 470,000 people who are unemployed and depending on these Houses to pursue policies that will provide some hope and confidence for the future. In that regard, I refer to the posturing in seeking an amendment to the Order of Business to have immediate debates on various issues. I would support a debate on banking which should take place at an opportune time as it is important. It is not simply the liquidity of the banks that will yield the necessary credit for small businesses. It has much to do with confidence within the banks which has been as affected, as have consumers and business people. This is a serious issue and the problem will continue until Ireland has addressed and turned away from the recession.

I regret the announcement by or diktat from the teachers' union to cease co-operation. On a personal level, students face highly difficult, challenging and stressful times during examination periods. They must get points to secure their futures in university. They must then worry about whether they will get jobs. Teachers who are among the highest paid in the OECD area and union officials on handsome six-figure sums should have some regard and not use students as pawns in the pursuit of blatant self-interest.

Senator Geraldine Feeney: Hear, hear.

Senator Jim Walsh: The House should speak with one voice and stand up for those who do not have a voice, namely, the students who will suffer as a consequence of an unfair and disproportionate action.

An Cathaoirleach: The Senator should ask a question of the Leader.

Senator Jim Walsh: Will the Leader arrange for an urgent debate on this important issue?

Senator Fidelma Healy Eames: Hear, hear.

Senator Paschal Donohoe: I support my colleagues in asking for an urgent debate on the banking economy. I also support Senator Walsh's comments in this regard. It is imperative that we have a debate soon. NAMA was sold to the country and this House on three different levels. First, it was to get credit flowing. We have seen that this is not the case. Second, it was

to reduce the need of the State to take ownership and a role in our banks. Over the weekend, we saw that this was not the case either. Third, we heard much about the concept of long-term economic value and why it was important to the economy and the banks. On Friday, we saw a response to the concept of long-term economic value when a piece of property valued at €31 million by those involved with it was assigned a value by the commercial courts of €600,000.

Senator Donie Cassidy: It was not accepted.

Senator Paschal Donohoe: Where does this fit in with the concept of NAMA and the discussion on how it will operate? In the House, I argued that NAMA would be a creature of bubble economics and a slave to the vested interests that brought our country to the brink.

An Cathaoirleach: Point made. Does the Senator want a debate?

Senator Paschal Donohoe: It is crucial that we have this debate. If NAMA does not work, the losers will not be the banks, they will be the people.

Senator Frances Fitzgerald: The taxpayers.

Senators: Hear, hear.

Senator Labhrás Ó Murchú: Is mian liom freisin fáilte faoi leith a chur roimh an Seanadóir nua, a bhean chéile agus a chlann. Tá mé cinnte, ón méid atá cloiste agam, go mbeidh an Seanadóir Dearey in ann seirbhís speisialta a thabhairt don Teach seo. Go raibh rath Dé ar a shaothar.

Last week, I discussed the issue of the false passports used in a high profile murder case. I understand from the media that the Minister for Foreign Affairs has met the Israeli ambassador. Will the Leader check with the Minister as to the outcome of that meeting? Various newspaper reports suggest that the ambassador stated he had no information whatsoever regarding the case. Some of the names on the passports are now seemingly in the public domain. One in particular is a fairly high profile businessman. At the very least, an unfriendly act is involved. It could also be a dangerous situation in the context of security and protection of Irish citizens. That the Minister believed it necessary to meet the Israeli ambassador suggests a connection is perceived in the case. If it is true that Mossad was involved in this murder—

Senator Eoghan Harris: Execution.

Senator Labhrás Ó Murchú: —and was acting on behalf of its government, we have reached a serious situation.

Senator Joe O'Toole: Hear, hear.

Senator Labhrás Ó Murchú: I hope that, despite the interests of maintaining friendly relations, we will not sideline this issue. I will explain why I am saying this. Once a blind eye is turned in one case, it can be done again.

An Cathaoirleach: Question to the Leader, please.

Senator Labhrás Ó Murchú: If the Irish Government or its agent carried out the same act using passports from another country, one could take it as being certain that it would be viewed as a most important and serious international incident.

Senator Maurice Cummins: Last week, both sides of the House welcomed the agreement reached between the parties in Northern Ireland on policing and justice matters. During that and many other debates in the House, I expressed a concern about the threat of so-called dissident republicans to the State. Last night, a 250 lb bomb, purportedly set by dissident republicans, exploded in Newry. They are a severe threat to the State and to peace on this island. I call for every possible resource on both sides of the Border to be put in place to eliminate these people and take them out of society before another bomb kills or maims people. The last thing we need is a return to this type of violence. We should do everything possible to co-operate with the police force in Northern Ireland, as I am sure we are doing, to ensure these types of bombs are not exploded again.

We have had floods, frost and snow, leaving many roads in an appalling state. The Minister for Transport asked that local authorities provide an estimate of the cost of repairing roads. When they had done so, the Minister announced that no further money would be made available. This is typical of the arrogance of the Minister and the Government with regard to local authorities and the people. The Minister should come to the House to explain why additional funding is not to be made available to fix the roads, which are in such an appalling state.

Senator Mark Daly: I welcome Senator Mark Dearey to the House. This is a proud day for his family, friends and supporters and a triumph of their combined efforts over many years. Protocol precludes me from singing “Happy Birthday to You” to Senator Dearey’s daughter, Stella, but I wish her a happy birthday.

An Cathaoirleach: Please ask questions to the Leader. We will have no canvassing in the House.

Senator Mark Daly: I ask the Leader to bring the Minister for Foreign Affairs to the House to speak about the ongoing saga of the use of Irish passports by Mossad, or by those who perpetrated the murder in Dubai. Today, we learned that the address given on the hotel bill was that of a former Taoiseach’s brother. Of course, that information was released with a purpose. They want us to know how good they are. The information had to be supplied from Ireland and considerable research was required to get the address. Someone in Ireland must be complicit in passing on that information. I ask the Leader to ask the Ministers for Foreign Affairs and Justice, Equality and Law Reform to begin a Garda investigation into how the address of the brother of a former Taoiseach came into the hands of those who perpetrated a murder in Dubai. The message they are sending us is that they can kill anyone wherever, whenever and however they want.

While Ireland has not been silent on issues relating to Gaza and the West Bank, Europe has. It has been silent on the invasion of Gaza and on the failure to enforce the human rights element of the Euro-Med agreement. Israel is allowed to do whatever it wants with regard to human rights in Israel and Gaza. I ask the Leader that the Ministers for Justice, Equality and Law Reform and Foreign Affairs be brought to the House to debate the most serious issue of the use of the address of a brother of a former Taoiseach. An embassy in Ireland must have supplied that information. This is a most serious issue.

An Cathaoirleach: Five further Members wish to speak but, unfortunately, there is not time to hear them. I will call on them first on tomorrow’s Order of Business. I call Senator Mark Dearey.

Senator Mark Dearey: I thank Senators for their kind words and warm welcome. I am surprised to see how many Members I have already met in various guises. I was in Senator Quinn's shop as a young boy with my mother and I served Senator Hannigan a libation. This has been a curious hour.

I thank the Leader for his welcome and I thank you, a Chathaoirligh, for allowing me to say these few words. As Senators will have gathered, this is the second most momentous 23 February I have experienced. I will say no more. Enough has been said. I thank my wife and members of the Louth Green Party constituency group who are here. This is proud day for me and I know they are proud of what our group has achieved locally. Last June, in a very bad local election, we secured four seats across the local authorities in Louth. I am confident that as I move to this Chamber the business of the county will be well looked after. I will not be taking my eye off any of it.

I have one or two regrets. One is that I will miss tomorrow evening's joint meeting of Dundalk Town Council and Newry and Mourne District Council. There cannot have been a more important meeting of those bodies for many a year, following the car bomb in Newry yesterday. Whatever means we have to provide political momentum in the Border region and throughout the North should be used. I hope the meeting will provide further momentum to the political process in the North.

Senators: Hear, hear.

Senator Mark Dearey: Senators will forgive me if I do not deal head-on with the issues raised today. I thank the Taoiseach for his nomination, bearing Senator O'Toole's comments in mind, and I thank you again, a Chathaoirligh.

I thank Senator Boyle for his hand-holding. This has been a difficult day but he has found the time to introduce me to the mechanisms and workings of the House.

Senator Donie Cassidy: I welcome former Senator and Deputy Seamus Cullimore and his group to the Visitors Gallery. It is nice to see him still active in public life.

Senators Frances Fitzgerald, Joe O'Toole, Alex White, Dan Boyle, Paul Coghlan, Marc MacSharry, Feargal Quinn, Ann Ormonde, John Hanafin, Eugene Regan, David Norris, Niall Ó Brolcháin, Jerry Buttimer, Mary White, Jim Walsh, Paschal Donohoe, Labhrás Ó Murchú, Maurice Cummins and Mark Daly all called for an urgent debate on the lack of credit, particularly for small businesses, and the possibility of setting up a friendly bank. In the 1970s and 1980s we had the Agricultural Credit Corporation for the farming community and the Industrial Credit Corporation for the business community. We are in a different situation today.

Because the Finance Bill is being debated in the Dáil it is difficult to have a Minister come to the Seanad this evening or tomorrow. However, it is with urgency that the request has been made and colleagues on all sides of the House agree with it. I will review the situation and come back to the House tomorrow morning, as a matter of urgency on this matter. Senators have my solemn word and commitment in that regard. I cannot deliver a Minister for Finance today when the Finance Bill is being debated in the Dáil and it is urgent that he be present in the House. The country faces no greater challenge than the 800,000 small and medium enterprises which are clinging on by their nails in their attempt to keep people employed. We understand the seriousness of this situation, particularly those of us who are from the business world and on a day when a business man takes his seat in Seanad Éireann.

4 o'clock

[Senator Donie Cassidy.]

I will endeavour to have this debate take place at the earliest opportunity and within a matter of days rather than a week. I cannot do so when the Finance Bill is being debated in the Dáil. I will come back to the House tomorrow morning with a firm date for an entire day's debate on how we can get credit flowing for small businesses.

Senator Paul Coghlan: We would be happy with a Minister of State.

Senator Donie Cassidy: I am responding to the genuine sincerity with which the request was made. Politics is the art of the possible. This debate will take place when it is humanly possible and within the next number of days. I will allow an all-day debate on the topic. In many years, I have never seen family businesses and small and medium sized enterprises facing such challenges as they do at present.

I refer to the British-Irish Parliamentary Assembly which various Members representing their parties attended in County Cavan. It was an outstanding success and I congratulate Deputy Niall Blaney, who is one of the co-chairs, on the 40th anniversary of the British-Irish Parliamentary Assembly which started 20 years ago. It was an incredible experience to be there and to see how the North of Ireland has been transformed and how peace on the island of Ireland has been achieved. Of course, we were all sick to hear about the bomb last night. As the Chief Constable of the Police Service of Northern Ireland and the Garda Commissioner, Fachtna Murphy, said the determination exists among the political class, the PSNI and the Garda Síochána. A small number of people are keeping the violence going. Please God, it will not be too long before it ceases completely.

I say to all those involved in the 20th anniversary celebrations, which took place in County Cavan yesterday, that one was proud to be Irish and doubly proud to be a Member of the Houses of the Oireachtas, whether the Dáil or the Seanad. I wholeheartedly congratulate everyone involved, including the clerk, Paul Kelly, and his staff, who did so much to fly the flag of Ireland among our counterparts from the British Isles, whether England, Wales, Scotland, the Isle Man or Jersey. It was a proud day to be Irish.

Senator MacSharry referred to the difficulties being experienced as a result of the huge loss of the world rally championship. I will bring this to the attention of the Minister for Arts, Sport and Tourism immediately after the Order of Business to see what can be done at this late stage.

Senator Quinn referred to 100% container scanning which may be coming in from July of next year in the US. This is a serious issue and I will bring it to the attention of the Tánaiste and Minister for Enterprise, Trade and Employment.

Senator Ormonde referred to the ESRI study on family formation and called for a debate at an opportune time. I will arrange for this to take place.

Senators Healy Eames and Walsh called for an urgent debate on education and the challenges as a result of the decision taken on middle management duties. I will bear in mind the Senators' views, especially those of Senator Walsh in regard to students. Last week the Minister for Education and Science announced a massive allocation of almost €600 million for 52 new school projects. I have no difficulty in agreeing to the request for a debate.

Senator O'Donovan referred to the separation of powers, which we will have to discuss as a matter of urgency. He also called for a debate on the fishing industry. A debate was to take place the week Senator Peter Callanan died. I will definitely arrange such a debate because, as Senator O'Donovan said, there is huge potential for job creation in the mariculture and fishing industry.

Senator Hannigan referred to SR Technics. I will endeavour to get the information requested and I will come back to the Senator directly.

Senators Regan and Buttimer called for an update on the Dublin Docklands Development Authority report. I understand the report is with the Attorney General and I will endeavour to find out how it is progressing. Everyone wants it published at the earliest opportunity once the Attorney General has given his advice.

Senator Leyden referred to the differences in petrol prices in County Cavan which he saw on his way to the House today. We have noted them. Senator Ó Brocháin called for a debate on the arts.

Senator Joe O'Reilly: On a point of order——

Senator Donie Cassidy: For the information of Senator O'Reilly, it was to Cavan's advantage that Senator Leyden made the statement.

Senator Joe O'Reilly: Good. I am happy that is so.

Senator Donie Cassidy: Senators Buttimer and Mary White called for a debate on job creation. That can be included in the debate on credit for small and medium-sized businesses.

Senators Ó Murchú and Daly expressed their disappointment, shock and horror at the abuse of Irish passports. The Minister for Foreign Affairs, Deputy Martin, is doing everything he possibly can to try to find out the truth. It is an extremely difficult case but we fully support him in his endeavours.

Senator Cummins referred to the €411 million allocated to county councils for roads. As the county managers have said, they are prioritising roads badly affected by the inclement weather since last November. I have no difficulty arranging for the Minister to come to the House to discuss all aspects of his portfolio but roads in particular.

Senator David Norris: The Leader said there were 800,000 small and medium sized enterprises. Could that possibly be right? It sounds like one for everyone in the audience.

Senator Donie Cassidy: Some 800,000 people are employed by small and medium-sized enterprises.

Senator David Norris: Yes but the Leader said there were 800,000 small and medium-sized enterprises. The Leader also mentioned the 40th anniversary of the British-Irish Parliamentary Assembly which started 20 years ago.

An Cathaoirleach: The Leader has replied and people have made their points.

Senator Donie Cassidy: It was the 40th plenary session in 20 years. It is very simple; there are two plenary sessions each year.

An Cathaoirleach: Senator Coghlan has moved an amendment to the Order of Business: "That statements on banking be taken today." Is the amendment being pressed?

Senator Paul Coghlan: Yes.

An Cathaoirleach: This will be a manual vote.

Amendment put.

The Seanad divided: Tá, 20; Níl, 31.

Tá

Bacik, Ivana.
Bradford, Paul.
Burke, Paddy.
Buttimer, Jerry.
Coghlan, Paul.
Cummins, Maurice.
Donohoe, Paschal.
Fitzgerald, Frances.
Hannigan, Dominic.
Healy Eames, Fidelma.

McFadden, Nicky.
Norris, David.
O'Reilly, Joe.
O'Toole, Joe.
Phelan, John Paul.
Prendergast, Phil.
Quinn, Feargal.
Regan, Eugene.
Ross, Shane.
White, Alex.

Níl

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

Leyden, Terry.
MacSharry, Marc.
McDonald, Lisa.
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 Coghlan and Maurice Cummins; Níl, Senators Camillus Glynn and Diarmuid Wilson.

Question declared lost.

An Cathaoirleach: Senator Fidelma Healy Eames has proposed an amendment to the Order of Business: "That statements on the changes in work practices proposed by teachers be taken today." Is the amendment being pressed?

Senator Fidelma Healy Eames: Yes.

Amendment put.

The Seanad divided: Tá, 19; Níl, 32.

Tá

Bacik, Ivana.
Bradford, Paul.
Burke, Paddy.
Buttimer, Jerry.
Coghlan, Paul.
Cummins, Maurice.
Donohoe, Paschal.
Fitzgerald, Frances.
Hannigan, Dominic.
Healy Eames, Fidelma.

McFadden, Nicky.
Norris, David.
O'Reilly, Joe.
O'Toole, Joe.
Phelan, John Paul.
Prendergast, Phil.
Regan, Eugene.
Ross, Shane.
White, Alex.

Nil

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

Leyden, Terry.
 MacSharry, Marc.
 McDonald, Lisa.
 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.
 Quinn, Feargal.
 Walsh, Jim.
 White, Mary M.
 Wilson, Diarmuid.

Tellers: Tá, Senators Maurice Cummins and Fidelma Healy Eames; Níl, Senators Camillus Glynn and Diarmuid Wilson.

Amendment declared lost.

Order of Business agreed to.

Draft Directive on Interpretation and Translation in Criminal Procedures: Referral to Joint Committee.

Senator Donie Cassidy: I move:

That the proposal that Seanad Éireann approves the exercise by the State of the option or discretion under Protocol No. 21 on the position of the United Kingdom and Ireland in respect of the area of freedom, security and justice annexed to the Treaty on European Union and to the Treaty on the Functioning of the European Union, to take part in the adoption and application of the following proposed measure:

an initiative for a Directive of the European Parliament and of the Council on the rights to interpretation and to translation in criminal proceedings,

a copy of which was laid before Seanad Éireann on 20th January, 2010 be referred to the Joint Committee on Justice, Equality, Defence and Women's Rights in accordance with paragraph (1) (Seanad) of the Orders of Reference of that Committee, which, not later than 1st April, 2010, shall send a message to the Seanad in the manner prescribed in Standing Order 72, and Standing Order 74(2) shall accordingly apply.

Question put and agreed to.

Diseases of Animals Act 1966: Motion.

Senator Donie Cassidy: I move:

That Seanad Éireann resolves that section 17A (inserted by section 2(1) of the Diseases of Animals (Amendment) Act 2001 (No. 3 of 2001)) of the Diseases of Animals Act 1966 (No. 6 of 1966) shall continue in force for the period ending on 8th March, 2011.

Question put and agreed to.

George Mitchell Scholarship Fund (Amendment) Bill 2010: Second Stage.

Question proposed: "That the Bill be now read a Second Time."

Minister of State at the Department of Education and Science (Deputy Seán Haughey): I am very happy to have the opportunity to bring the George Mitchell Scholarship Fund (Amendment) Bill 2010 before the Seanad. All Stages of the Bill were taken in the Dáil on Thursday, 18 February. I look forward to having an interesting discussion with Senators today. The Bill amends the George Mitchell Scholarship Fund Act 1998. It is short and relatively straightforward amending legislation.

Before outlining the provisions of the Bill, I wish to outline the general background to it. In 1998, in recognition of the pivotal contribution made by US Senator George J. Mitchell to the Northern Ireland peace process, the Government established the George Mitchell scholarship fund and in 1999 agreed to contribute an endowment of IR£2 million to the fund.

Throughout the long journey of the peace process in Northern Ireland we have benefited from the continued support of our friends in the United States. The Government considers that the agreement reached some weeks ago at Hillsborough provides the basis for the future stability and success of the democratic institutions in Northern Ireland. The stable and efficient operation of the Executive and the Assembly are clearly what the people of Northern Ireland want. In these challenging economic times the agreement should enable the Executive and the Assembly to deal with the pressing issues and concerns of the people of Northern Ireland, including jobs, investment, health care and education. The Government will continue to work closely with our colleagues in the Northern Ireland Executive to co-operate on these issues in the North-South Ministerial Council and to drive forward joint initiatives, including in the area of education. In the current economic climate it is more important than ever that we eliminate duplication at home and collaborate to compete internationally.

The George Mitchell Scholarship Fund Bill was enacted in December 1998 and empowered the Minister for Education and Science to establish the fund in the United States and enter into an agreement with persons to manage and control the fund. The 1998 Act provided for the creation of a scholarship fund to enable students from the United States to pursue a post-graduate year of study or research at certain universities and other institutions of higher education on the island of Ireland. Under the Act, the contribution of the Minister for Education and Science to the fund was the one-off endowment of IR£2 million.

The US-Ireland Alliance established a prestigious, competitive scholarship to enable American university graduates to pursue a year of study in universities here, North and South. The alliance is a non-partisan, non-profit making organisation comprising members from both Ireland and the United States which is based in Arlington, Virginia. A detailed agreement for the management of the fund was signed by my Department with the alliance in March 1999 and the endowment of IR£2 million was paid into the fund in April of that year. The alliance continues to manage the fund and run the scholarship programme.

The endowment paid into the fund by the Government was to fund two scholarships of US\$11,000 per year and meet the administrative costs associated with running the programme. It is important to explain that under the terms of the original agreement, the Government's endowment is invested with the primary aim of maintaining its nominal value and securing a reasonable rate of return. Thus, it is the earnings and returns from these investments that fund the scholarships. The US-Ireland Alliance also secures additional funding from other sources which has enabled the programme to offer a further ten scholarships annually. The costs of these scholarships has been met through an endowment paid by the British Government in

respect of two scholarships per year and through other contributions or sponsorship received by the alliance, including from the Government of the United States.

The first Mitchell scholars began their studies in the autumn of 2000. Each year since either 11 or 12 highly qualified university students in the United States have been selected as Mitchell scholars to come here to undertake postgraduate studies. There have been 117 scholars to date, with 28 attending universities in Northern Ireland.

In 2001 the nominal value of the George Mitchell scholarship fund, containing the Government's original endowment of IR£2 million, decreased due to losses on investments made during a difficult investment climate in the United States. A decision was made in 2003, in consultation with my Department, to rest the fund for a period by not making disbursements in respect of scholarships from the income generated from the fund, with a view to re-establishing its original value. This was facilitated greatly by a decision of the US Government to support the US-Ireland Alliance with significant financial contributions for several years. Thus, the alliance was enabled to safeguard the burgeoning reputation of the scholarship programme and continue awarding the full quota of scholarships. Since 2003 the full quota of 12 scholarships has been funded from other resources raised by the US-Ireland Alliance. In the same period the only expenses paid from the fund have been the costs of the annual audit of the accounts and investment advisory fees for the fund. All of this information is provided in the annual report and audited accounts for the fund that are laid before each House pursuant to the provisions of the 1998 Act.

In 2007 a decision was taken to secure the long-term viability of the George Mitchell scholarship programme by increasing Ireland's contribution to the fund for the programme by €20 million. This sum is to be paid over a number of years, conditional on matching funding raised by the US-Ireland Alliance. Such matching funding must not include funding from public funds in Ireland or Northern Ireland. It is envisaged that the increased future investment income from the additional funding of up to €40 million, inclusive of matching funding, will primarily meet the cost of bursaries for the successful students and the administration of the scheme.

The purpose of the Bill is to amend the George Mitchell Scholarship Fund Act 1998 so as to enable the new financial and necessary accounting arrangements to be put in place, by creating an amended legal framework that is appropriately broad and enabling. It is intended that the Bill will be complemented by and also provide legal underpinning for a detailed new funding and management agreement between the Minister for Education and Science and the US-Ireland Alliance. Such a new agreement is necessary to give effect to the provisions of the Bill and provide for the putting in place of appropriate governance structures. Following very detailed negotiations, the terms of a draft new agreement in that regard have been agreed between my Department, with Department of Finance approval, and the alliance. This new agreement specifies detailed management and reporting arrangements in regard to the fund. The new agreement will be executed when this amending legislation has been enacted.

A provision of €2 million is included in my Department's Estimates for 2010 in respect of the George Mitchell Scholarship Fund. When the amending legislation has been enacted and commenced and the new management and funding agreement between the US-Ireland Alliance and my Department has been signed, my Department will arrange for an appropriate payment to be made in accordance with the terms of the legislation and the agreement. The amount of the payment to be made in 2010 will have regard to the matching funding already raised by the alliance.

This additional funding further emphasises the Irish Government's deep and abiding gratitude for the key role that Senator George Mitchell played in the Northern Ireland peace

[Deputy Seán Haughey.]

process. The Government also believes the additional endowment demonstrates our clear support for the development of our special relationship with the United States.

We strongly believe that from a strategic viewpoint the Irish Government's additional endowment will achieve several significant outcomes as well as helping to secure the long term viability of the programme. The additional funding will enable the US-Ireland Alliance to strengthen further its support for and promotion of United States-Ireland and North-South relations. The Mitchell scholarship programme ties in very well with the objectives of the strategic review of Ireland-US relations, *Ireland and America: Challenges and Opportunities in a New Context*, launched in early 2009.

The strategic review highlighted that there are some 10 million Americans under the age of 18 who, while not Irish, have an interest in Ireland. They, along with our own young people, will shape the future contours of our relationship with the United States. We must work proactively to maintain their interest and link with Ireland.

There is perhaps no more fundamental or sustainable way to engage that interest than by giving these young people the opportunity to study in Ireland. We know that people who have studied in Irish institutions, and who have had a positive experience here, go on to become privileged friends of Ireland. The young Americans who study here will be advocates and agents for the strong US-Ireland relationship among the next generation.

We have recently put in place a new framework for the promotion of Ireland as a centre of international education. As part of this the Minister has established a high level group on international education which is currently developing an action plan to enhance Ireland's performance in this area. The high level group will be examining where our priority markets will be and what co-ordinated activities we should be undertaking in those markets. The United States will clearly be one of our most important strategic partners in this regard. We have indicated to Enterprise Ireland, to which we have given responsibility for promoting and marketing Irish education, that this is a priority for this Government and that we want to lead from the front in strengthening links with the United States.

There is no doubt that the Mitchell scholarship programme will be a key plank in our efforts to develop the education links with the United States. It will allow high-calibre students from American universities to study as Mitchell scholars on a wide cross-section of postgraduate courses at universities on the island of Ireland and it will also increase the profile of Irish institutions internationally. This programme is successfully competing to attract participants with a number of other highly prestigious and influential scholarship programmes, such as the Rhodes scholarships scheme that is operated by Britain to bring American students to Oxford University.

As well as the direct financial spin-off benefit to the Irish economy, these Mitchell scholars are likely to later occupy positions of influence in the United States, whether in politics, business or the professions. We hope their period of study on this island will create an enduring legacy of goodwill towards Ireland amongst the scholars and be of significant benefit to Ireland in the future.

I shall outline the main features and provisions of the Bill. Section 2 amends section 1 of the 1998 Act by adding a number of new definitions relating to key terms used throughout the Bill. Section 3 amends section 2 of the 1998 Act. In essence, it provides legal underpinning for a number of core provisions in relation to the fund that are contained in the funding and management agreement between the Minister and the fund manager.

Section 4 amends section 3 of the 1998 Act. The 1998 Act made provision for a one-off payment of £2 million by the Minister into the fund. Section 4 amends section 3 of the 1998

Act to provide that the Minister shall pay a total Irish Exchequer additional funding sum not exceeding €20 million into the fund. Payments by the Minister will be subject to matching funding having been raised by the fund manager and subject to a maximum payment of €4 million in any financial year.

Section 5 amends section 5 of the 1998 Act by substituting an amended provision for that section. This arises as a consequence of the enhanced annual operational and financial reporting obligations being imposed on the fund manager in section 3 and I shall refer to those obligations in more detail on Committee Stage. Section 6 provides for short title, collective citation and commencement.

I commend this Bill to the House.

Debate adjourned.

Visit of Deputy Speaker of Welsh Assembly.

An Leas-Chathaoirleach: I am sure Members will join me in welcoming the Deputy Speaker of the Welsh Assembly, Ms Rosemary Butler, to the House. With a name like that, I am sure she has many friends in Ireland. She is very welcome.

George Mitchell Scholarship Fund (Amendment) Bill 2010: Second Stage (Resumed).

Question again proposed: "That the Bill be now read a Second Time."

Senator Fidelma Healy Eames: We are happy to support this Bill. It is worth reflecting on it, however, because it has huge potential for Ireland in its relations with the United States.

It was established by the US-Ireland Alliance to honour Senator George Mitchell's contribution to the peace process and the tradition that was started by the Kennedy family, particularly the late Ted Kennedy. It is now in its tenth year, with 117 graduates to date. The alliance initiated a new language in our relationship with the US. It is built on a relationship of equality and mutual benefit instead of being based on emigration, the "auld sod" and feeling sorry for Ireland. From that point of view it is welcome because it shows we have matured as a nation and that we can stand among the giants of the world.

It would be remiss not to recognise the pivotal contribution George Mitchell made to the peace process and I commend the Government for the establishment of the initial endowment of £2 million. It recognised the hand of friendship and the reciprocal nature of the involvement of the US in bringing about peace in Northern Ireland. In the last two weeks the Hillsborough agreement has been achieved and we can see the importance of such stability in Northern Ireland to underpin jobs, investment, health care and education.

Our relationship with the US must be based on partnership and centred on education, the arts and business. This scholarship has more potential than just jobs emanating from pure business. We must also look at the wider possibilities to maximise its full potential. The George Mitchell Scholarship Fund is an ideal way to engage and maximise this partnership.

It is interesting how quickly the fund gained notoriety. It was competing head to head with the Rhodes and Marshall scholarships within three years. We all know Bill Clinton, former President of the United States, was a Rhodes scholar, which shows how interested Americans are in Ireland. Having studied and worked there as a teacher myself, I know there is always a fascination with Ireland. In the past it may have been based on our history of emigration. It is time to develop a more mature approach in our thinking about our country and what it has to offer. That which I have outlined shows how Mitchell scholarships have developed a good reputation in a short period.

[Senator Fidelma Healy Eames.]

I wish to deal with some of the more thorny issues relating to the Bill, the first of which is costings. In the context of oversight, we must be cautious and safeguard our investment and ensure it is spent wisely. The fund is managed by the US-Ireland Alliance. This system has been in operation since 1999. At this juncture, the Government is increasing the level of the fund. This means that it will have increased substantially, from IR£2 million in 1999 to €20 million now, to ensure the sustainability of the scholarship programme. It will also ensure the latter will not run into financial difficulty again. The increase will be broken down into annual payments of €4 million and will be on the basis that matching funding will be provided, through the US-Ireland Alliance, by private donors.

In the early years of the last decade the Government invested \$2.7 million in the fund. As a result of a blip in the stock market in 2002, the value of this donation fell to \$1.6 million and the fund quickly became unviable. I wish to ask a number of questions I would like the Minister of State to address.

The careful management of the money contained in the fund is extremely important. In that context, why was money from the fund invested in risky areas? In that context, we must bear in mind the volatility of the stock market and the eventual goal of this endowment which, essentially, is a benevolent fund. We are not asking that it make large amounts of money and I do not believe, therefore, that it should be invested in equities because they can fall as well as rise in value. Perhaps we should consider obtaining deposit returns in respect of the fund.

The competence of the fund managers must be queried. This is an endowment which must both last and grow over a period. We must ensure, therefore, that the fund is managed carefully.

The Government did not reinvest until the fund, following the losses incurred in the economic crash, was built up again. Its next instalment of funding was made just prior to the current economic downturn. As a result, the level of the fund has again decreased. The US-Ireland Alliance states it has not received funding from the Government for many years. We must monitor the position in this regard because what is happening amounts to hypocrisy of the ethos behind the programme.

In the Dáil the Minister of State indicated that the Mitchell scholarship programme tied in well with the objectives of the strategic review of Ireland-US relations and that we had to work proactively to maintain the US authorities' interest in and links with Ireland. A lackadaisical approach to funding will not work towards strengthening relations between our two countries. A proactive approach is required and the US-Ireland Alliance recommends that an endowment level substantial enough to withstand the turbulence of the economic market must be created.

The aim of the Bill is to create an amended legal framework that can achieve, with the necessary safeguards and oversight, the long-term viability of the fund. This is essential, particularly in view of the substantial increase in funding envisaged in the Bill. In 2008 alone \$27,740 was spent on investment adviser fees. While I accept that this may represent a normal 1.5% fee, investment advisers must be given clear guidelines on the financial goals of the fund in order that for which the latter is intended will be achieved.

The Government included a provision of €2 million in the Estimates for 2010 for the fund. This is dependent on matching funds — the level of which now stands at €1.5 million — being made available by the US-Ireland Alliance. In the event that the alliance is not in a position to provide such matching funds, it follows that the Government will not make its contribution. Is this a wise course of action, particularly in the light of the incredible benefits that arise in the context of good US-Irish relations in many fields and the spin-off the programme can give to Ireland if its potential is maximised?

When speaking in the Dáil, the Minister for State noted that the strategic review of Irish-US relations launched in 2009 had highlighted that 10 million Americans under the age of 18 years were interested in Ireland, despite the fact that they were not of Irish descent. That is extremely interesting. How was this information established and from what sources did the young people to whom I refer develop an interest in Ireland? There is no doubt that some or many of these young people might have an opportunity to study in Ireland. If they do, they will come to recognise the US contribution to Ireland and its evolving history. More importantly, they will develop networks, based on their experiences here, that will be of use in their future careers. It must be remembered that the money from the fund will be spent in Ireland. This is, therefore, an issue on which the Government cannot lose.

Has an evaluation been carried out of the experiences of the 117 people who have engaged in studies in this country as a result of being awarded Mitchell scholarships? Has information been obtained on what they proceeded to do on completion of their studies and whether they have retained links with Ireland? If they have retained such links, what is the nature thereof? This is a matter in which I am particularly interested.

The Minister of State has indicated that the Government intends to establish Ireland as a centre of excellence for international education. I completely concur with this intention. I raised a number of matters on the Adjournment in the past year in which I highlighted the major potential but which was not being exploited. The Department of Justice, Equality and Law Reform appears to be placing barriers in the way of international students who wish to come here to pursue courses.

I am extremely concerned about the fact that Enterprise Ireland is to be given responsibility for promoting and marketing Irish education. Is that a wise move? Will the Minister of State, please, clarify what will be the role of Enterprise Ireland in promoting Irish education abroad? Does it possess the necessary expertise and is it best placed to engage in such promotion? I have my doubts in that regard. Will the Minister of State indicate what is the link between education and enterprise in order that we can be confident that the potential might be maximised?

Education is a global business. The job of marketing Irish education should reflect every aspect of life and include the arts and culture, as well as business. Pure business is sometimes seen as the only means of attracting or creating employment. A group which is doing great work in this area is the Western Development Commission which is examining the potential of the arts and culture in what are known as the creative industries. Has the George Mitchell scholarship fund, through the US-Ireland Alliance, linked with the Western Development Commission to explore its definitions of education, culture and creativity and how focusing on these areas can lead to the creation of jobs?

The scholarship fund is of long-term significance and can give rise to many possibilities. Higher education is a global business. I had an extremely positive experience while studying in the United States and developed many links — based both on friendship and education — with that country. Studying in another country gives rise to memories and experiences one will never forget. Mitchell scholarships allow us to offer young US citizens the means to study here and ultimately become Irish ambassadors abroad. What a great return this gives us on our investment. The scholarships can help to make Ireland an iconic brand at a time when we are striving to build on the country's good name abroad. This must be a policy objective in the coming years.

As well as focusing on business development and attracting economics graduates from the United States, we must also explore the huge potential offered by culture and the arts. Deputies Deenihan and Quinn referred to this matter during the debate on the Bill in the Dáil. As

[Senator Fidelma Healy Eames.]

Deputy Quinn stated, we need only consider the recent nominations for Academy Awards received by graduates from Ballyfermot College as an example of what can be achieved.

Let us work to our strengths, while also expanding our understanding of these strengths. Much more could be done to exploit the potential of the scholarship fund. However, we need a plan to achieve it. I compliment the work of Trina Vargo and I encourage her to expand further the boundaries of this plan.

I will finish with a number of questions for the Minister of State. I was going to ask whether the scholarships continued to be awarded when the Irish Government was not contributing but I understand they did. However, I did not like that the Irish Government was not contributing at that point. How many additional scholars will come to Ireland through the additional funding? What percentage of the money committed by the Irish Government goes to administration? This is always a concern.

Has the Department of Education and Science been in consultation with the Department of Justice, Equality and Law Reform about the extraordinary number of international students prevented from studying here, which is well documented, and about resolving the issue of barriers, which is even more important? If we want to pursue the idea of promoting Ireland as a centre for international educational excellence we need to resolve the issue of these barriers.

Will the Department of Education and Science put a means in place to attract and facilitate US universities and colleges that want to spend money in this country? I understand from listening to Deputy John Deasy's contribution in the Dáil that there are extraordinary difficulties and barriers in some cases where a US college or university does not have links with an Irish college. We should always look to be more open while being vigilant. I look forward to hearing the response of the Minister of State.

Senator Cecilia Keaveney: I am very interested in contributing to this debate. I am more fascinated because of where I came from this morning, which was the British Irish Inter-parliamentary Assembly meeting in Cavan. The speakers there included the Governor of the Central Bank, the Taoiseach, Fachtina Murphy of the Garda Síochána, Matt Baggott of the PSNI and Declan Kelly, US special economic envoy to the North. It shows how central east-west North-South is and also the vital US influence. Today, I spoke to Declan Kelly about issues such as the future of education, opportunities for job creation in the education sector and the chance to have a university in the north-west region which would straddle the Border and create new opportunities for students where other campuses have reached capacity. This conversation was separate from the Bill before the House.

I have received e-mails which state how dare the Irish Government invest €20 million in this when we are so stuck for money in other areas. It is like arguing that money should not be invested in hospitals because the roads are bad. One can never do the right thing by some people. I believe that an investment fund which ensures the brightest and best of the US student cohort has an opportunity to come here can pay dividends. We cannot merely provide the fund, select students, have them come here and then let them disappear. I agree with Senator Healy Eames that there must be a fair level of follow-up to establish what they got out of it and what we can get out of it afterwards. Anybody investing in something wants to ensure their investment has a return. Sometimes that can sound very harsh when one is speaking about people but we have to evaluate it as we go along. I do not agree the endowment people would necessarily be looking for a bad investment. Anybody in the job of providing the best advice on investments will do their best. Doctors differ and patients die and unfortunately, in the economic climate we are in, economists are caught in the same way with their knowledge or lack of knowledge.

I commend the work of the US-Ireland Alliance which, in conjunction with the Irish Government, established the George Mitchell scholarship programme. The work done by the organisation is essential to strengthening existing relations between the United States and Ireland, both North and South, and continuing to sustain that relationship for the future. The US-Ireland Alliance founded the scholarship to educate future US leaders about the island of Ireland and to provide them with an understanding about, an interest in and, most importantly, an affinity with the island from which 38 million people in the United States claim descent. I was fascinated by the concept that in a strategic review so many people under the age of 18 stated they had a relationship with Ireland and I want to return to this point.

George Mitchell once stated:

Wherever you go in life, you'll be part of a society... Be active in that society. Do something in and with your life.

Senator Mitchell's words embody the nature of his character. Throughout his career he brought about great changes. He has taken significant actions throughout his career, which have made great changes to the island of Ireland. Having met him and having attended the George Mitchell conference in Belfast a couple of years ago where the guest speaker was Desmond Tutu, I can state he has the capacity to draw the best of people around him. He must also have the patience of a saint when one considers the number of negotiations he chaired through the very difficult days of the 1990s.

George Mitchell was active in the Northern Ireland peace process from 1995 as the United States special envoy for Northern Ireland. He first led a commission that established the principles on non-violence to which all parties in Northern Ireland had to adhere and subsequently chaired the all-party peace negotiations, which led to the signing of the Good Friday Agreement. George Mitchell's personal intervention with the parties was crucial to the success of the talks. What has been established is crucial to ensuring that we continue to have intervention at US Irish level. Senator Mitchell won admiration from across the political divide in the North for his work to boost the peace process. He received almost unanimous praise for his skill and patience in chairing the talks.

This Bill and the increased allocation of funding further emphasise the Government's appreciation for the key role Senator Mitchell played in the Northern Ireland peace process. The George Mitchell scholarship is designed to introduce and connect generations of future US leaders to the island of Ireland, while recognising and fostering intellectual achievement, leadership and a commitment to public service and community. The scholarship actively promotes the spirit of community between and among the scholars and the communities in which they live and study and between the scholars and the island of Ireland long after the programme had ended. I have also participated in some of the Harvard leadership programmes and even though it might be for only a week or ten days on a couple of occasions, studying somewhere else or engaging with another college and other professors and academics is very stimulating.

The programme endeavours to connect the next generation of US leadership with the island of Ireland. It allows students with both a high standard of academic achievement and a deep sense of civic pride to further their education and deepen their understanding of Ireland and the world. Senator Mitchell's life and career represent a profound commitment to public service and to community, integrity, leadership, justice and fairness. Those taking part in the scholarship programme embody all of those characteristics and have the potential to lead lives that see and bring about great change.

As other speakers mentioned, since its establishment 117 students have come to Ireland under the programme. Approximately 300 applications for the scholarship are made each year

[Senator Cecilia Keaveney.]

with 70 US universities being visited by representatives from the US-Ireland Alliance detailing what the scholarship and studying in Ireland can offer. The fact that 300 applicants apply for one of 12 scholarships each year clearly advocates the value and significance of the scholarship. The Mitchell scholarship has already established itself as one of the most selective fellowships available. What do we do to ensure the other 288 people pursue coming here anyway, without the facility of the scholarship? Have we assessed increasing the number of people participating?

As outlined by the Minister of State, Deputy Seán Haughey, in the Dáil last Thursday, from a strategic point of view this programme achieves significant economic and social outcomes. Sceptics will question that but people come here to study and experience the country. Scholarship students are encouraged to travel throughout the island of Ireland to gain knowledge and experience. Their family members often come to visit them, thereby bringing money to the Exchequer through their expenditure in hotels and restaurants. This money is particularly beneficial to rural areas, which welcome visits by tourists of every nationality.

Graduates of the programme are close friends of Ireland and build upon their positive experience to develop a strong affinity for our country and become advocates and agents for good relationships among future generations. The scholarship develops and preserves our links with the US. Many of those who participate on programmes go on to occupy positions of significant influence in business, politics and other areas. Creating links with these scholars will greatly benefit Ireland in the future.

In terms of the time spent in our universities and centres of higher education, Mitchell scholars add greatly to the day-to-day activity of classes and offer opportunities for exchanging new ideas and different ways of thinking. In addition to the direct financial benefits, these scholars bring great benefits to our knowledge economy and links with America. It is imperative that we work to sustain our strong relationship with America. The George Mitchell scholarship allows for the fruition and sustained growth of such a relationship. Scholars who complete the programme become ambassadors for this country.

I ask the Minister of State to consider the involvement of institutes of technology in the programme. As it stands, Mitchell scholars may study or conduct research at universities and institutes of higher learning in both the Republic of Ireland and Northern Ireland, not including institutes of technology.

There are 13 institutes of technology in Ireland. The degrees they award are integrated with the highest levels of the National Qualification Authority of Ireland, which in turn is aligned to the Bologna framework. They are to the forefront in ensuring that Ireland's modern economy has the requisite array of leading edge skills demanded by our knowledge based industries. The institutes provide programmes that reflect current and emerging fields and promote self-management, critical analysis, decision making and entrepreneurship. For example, Letterkenny Institute of Technology has established incubation units for new businesses. They foster graduates who are ready to undertake responsibilities and challenges in business, industry, the professions, public services and society.

I asked Declan Kelly why he is so positive about the potential for American investment in the North, which is a competitive region with a skilled workforce. As someone who lives north of the North, it was my understanding that people tried to leave the North when they reached a certain age. They went to college anywhere but in the North and even those who stayed left for good once they received their qualifications. Mr. Kelly advised me that the statistics are changing because graduates are now staying at home. He was about to leave for a meeting in Queens University Belfast, at which his key message was going to be that the students of that university are the entrepreneurs of the future. He believed that if they moved elsewhere they

would do a disservice to their own areas because now is the time to stay at home to drive the local economy. He estimated that 66,000 businesses in the North employ fewer than 20 employees. That indicates a strong entrepreneurial spirit. He also noted that creating a job in the North costs £20, compared to £320 somewhere else. It is important that we maintain our links with America because people like Declan Kelly and George Mitchell were sent from the highest levels of the American Government to drive the agenda and their success is our success. George Mitchell's efforts on the Good Friday Agreement have benefited all of us.

I remind those who would begrudge the money invested in the Mitchell scholarship fund that it is one part of a jigsaw. I agree with the idea of following through by learning what we are doing well. We should not simply clap ourselves on the back for this scholarship because we constantly have to seek better outcomes and modernise to meet the needs of our economy and international relations. I endorse the Bill and wish the students who come to engage with Ireland well.

Senator David Norris: I wish to share time with Senator Quinn.

An Cathaoirleach: Is that agreed? Agreed.

Senator David Norris: I welcome the Minister of State for this positive debate. The absence of discord is noticeable. Every contributor has spoken in support of the Bill, which represents a most positive development. I salute a great friend of Ireland, Trina Vargo, who is known to many of us in this House. She has worked tirelessly and honestly for the cause of Ireland. I have always been struck by her ability to call it as she sees it. We have learned a great deal from her trenchant contributions and I greatly value what she has done for Irish life. She was the senior foreign policy adviser to the late Ted Kennedy. I have great reverence for Mr. Kennedy, as I do for US Senator George Mitchell, in whose name these scholarships were founded.

Today is an appropriate day for this debate because we are all shocked by the news that a tiny splinter group, which is unrepresentative of the Irish people in every way, arrogantly and impudently chose to attack the population of Newry. I deplore that attack.

It is by educational means, such as this scholarship, that we will continue to secure significant friendships in the United States of America. This is especially important in light of the changing political demographics in that country as the great generation of senior Irish-American politicians moves to one side so that their position at the centre of American life can be taken over by people from a variety of backgrounds.

This Bill amends the George Mitchell Scholarship Fund Act 1998, which was introduced after the formation of the US-Ireland Alliance by Trina Vargo. In introducing the Bill in December 1998, the then Minister for Education and Science, Deputy Martin, stated: "It is a great pleasure to introduce a Bill that marks an historic development in relations between the two traditions on this island and between Ireland and the United States." He went on to speak about George Mitchell and drew the inevitable comparison with the Rhodes scholarship to Oxford University. It is significant that a number of bright individuals in the American academic system chose to apply for the Mitchell scholarship over the Rhodes scholarship. However, even at the end of the ten year period over which the Irish Government will contribute €20 million, Mitchell will remain the junior scholarship to Rhodes in financial, although not intellectual, terms because the latter is funded by an investment of \$200 million. That gives an idea of the scale of the disparity in investment and the extraordinary value we get from the fund in this country.

5 o'clock

[Senator David Norris.]

It is appropriate that the scholarship is named after Senator Mitchell, not just for his work in the peace process but also because of his background. His mother was an immigrant from the Lebanon, while his father was an immigrant from Ireland. They were both almost unlettered people, certainly people of no social status, but it is thanks to their hard work and the opportunities that the United States afforded to such people that Senator Mitchell was able to proudly say he had made it to being majority leader in the United States Senate from that background. That is the America we all respect, admire and love. Some of us have had differences with American foreign policy, but that is the America that has given greatness to the world.

Currently, the tenth class of Mitchell scholars are studying in universities. They receive approximately \$12,000 a year. Their tuition fees, flights and accommodation are supplied free of charge and the bursary covers living expenses. They do not have to be Irish-American. The selection committee is just looking for academic excellence. It is a mark of the esteem in which this scholarship is held by the Governments of this country and the United States that they cooperate on it and that one of the leading members of the committee is His Excellency, the United States ambassador to Ireland.

The scholarship has a very high reputation, not just in Ireland but also in the United States of America. The fund was initially granted seed money of €2.7 million in 1998 by the Government. That was met with gratitude by the US-Ireland Alliance. The money was invested professionally but then the fund was hit by the technology crash that affected all of the sophisticated industries in Silicon Valley. We were affected by it in this country also. I do not think there is a suggestion of maladministration or bad governance. It was simply a fact of life. Ms Vargo and her colleagues worked hard to restore the fund to its original level again because the Government prudently put a brake on the disbursement of funds until the initial capital was restored. Ms Vargo managed to do this just at the point when we were hit by the latest global financial difficulty. For that reason, I commend the Government on its vision in committing itself directly straightaway to the provision of €2 million and €20 million in the next ten years. It is vital for this country that we have friends well placed in a powerful country such as the United States, especially those who are not part of our own tribal group but people of intelligence and perception who will understand the situation we are facing and assist us in dealing with it.

When the Bill was being discussed in the other House, I noted the concern expressed in the contributions of some Labour Party Members. They were worried that certain geographical sections of the country appeared to be excluded such as the north east because of the way in which the receiving universities had been scheduled. I ask the Minister of State to indicate whether these concerns were addressed. I hope Waterford Institute of Technology, for example, and other such institutions will also be included.

I am struck by the fact that among the very generous benefactors is Bernard McNamara, a building developer who has come in for a lot of stick. I thought he made an extraordinarily dignified presentation with courage and integrity when he spoke on radio. It is a mark of the man that he should have contributed generously to the scheme.

I very much welcome the Bill and pay tribute to the work of the Government. I had discussions with the Minister for Education and Science, Deputy Batt O’Keeffe, and we exchanged some views. I am pleased to say that, with other colleagues, we managed to advance its cause. It is something that is very positive in the annals of the relationship between the United States of Ireland — I beg the Leas-Chathaoirleach’s pardon — the United States of America and Ireland. We have a little longer to wait before this will be the United States of Ireland, something I am sure my good colleague, Senator Quinn, would also welcome.

Senator Feargal Quinn: I thank Senator Norris for being willing to share his time with me.

I have been interested in and enthused by the George Mitchell scholarship fund ever since it was created in 1998. When that Bill had passed through the Dáil, I realised that in the small print it was indicated that the money was only to be used for studying in this country, the Twenty-six Counties. At the time I brought the matter to the attention of the Minister who told me that he would check with the Attorney General. On Committee Stage he said he could not do anything about the matter, that the money could not be used in the North. I thought that was outrageous.

Senator David Norris: Hear, hear.

Senator Feargal Quinn: How could we bring a team from America and then tell them they could not cross the Border or they would not be covered? I am pleased to say the Minister accepted my amendment on Report Stage and the Bill achieved what it set out to do.

I have been enthusiastic about the success of the fund. I have met the students who come here practically every year and have been impressed by their commitment and what they are attempting to do. My question is whether there are alternatives to providing €20 million now. I read a transcript of the debate last week in the Dáil and was disappointed at the lack of discussion or proper examination of the Bill. We can all extol the virtues of the Irish-American relationship and congratulate ourselves on our efforts but the fact is that the situation has changed. I do not think we have €20 million now. I accept that the money is to be spent over five years and that we promised in 2007 to fund the programme. We have since had Mr. Colm McCarthy's an bord snip. We have also had a budget and cutbacks. We have endured a huge amount of pain in many areas, including education, and there are much more pressing and worthwhile causes, on which the money could be spent. I, therefore, question whether at this stage we are wise to spend €20 million on this programme, although it was correct to invest in it when the fund was created.

One would get the impression from both the Government side and Fine Gael that cutting the funding would almost lead to disintegration and cause a collapse in Irish-American relations. That is a fallacy. The Government has some important questions to answer about the George Mitchell scholarship fund at this stage. That is a reversal of my position when the fund was created and in more recent years. The Government has put abroad the message that somehow Irish influence in the United States is waning and that we need to support schemes such as the George Mitchell scholarship fund if we are to maintain that relationship. The US-Ireland Alliance is enthusiastic about the fund. It has an obvious reason for perpetuating the message that there is a danger that Ireland's relationship with the United States is waning. It is simply not true. There is a brand new generation of Irish-American politicians such as Governor Martin O'Malley of Maryland who many believe will be a future presidential candidate. There are also Congressman Joe Crowley, a possible future Speaker, and Congressman Mike Pence, a Republican and also a possible future Speaker who will ensure there will always be an Irish power base on Capitol Hill. One only has to look at organisations such as the Irish-American Democrats and the Irish-American Republicans to see that they are thriving. I am a little concerned, therefore, at the suggestion that we have to do this or otherwise we will lose the strong link we have with the Americans, especially politicians there.

Given what I have outlined, I wonder whether we should reconsider taking this step. We could do so on a cross-party basis, involving the Independents as well as Fine Gael, the Labour Party, Sinn Féin and the Green Party, as well as those Members of Fianna Fáil who must have serious reservations about spending €20 million now when there are cutbacks in so many areas, including education. I accept that represents a sum of €4 million a year over five years. Perhaps

[Senator Feargal Quinn.]

we should reconsider the Bill or delay its implementation. That would be a logical conclusion, as I remain to be convinced that we should give away a massive amount of money in the current circumstances because we do not have it at present. Given our economic circumstances, it will be difficult to explain this Bill. In business, one examines results and the bottom line and I am sceptical about whether the fund has delivered the tangible results promised at the beginning. If even it was a good, worthwhile programme, which must be questionable, Ireland can make better use of €20 million over five years than giving it to students at a time of widespread education cutbacks, including for those with special needs, which we will debate tomorrow.

Circumstances have changed over the past two years. There were initiatives we could afford and I was happy to support them but when I consider the amount of pain we have had to take and the number of cutbacks that have been undertaken, I must question, in particular, following cutbacks affecting those most in need, including in the education sector, whether it is wise to spend €20 million on inviting Americans who will have a powerful voice in years to come to study here and whether this is the best use that can be achieved with this money. How easy will this be to explain to children with special needs whom we will discuss tomorrow?

Senator Ann Ormonde: I welcome the Minister of State and I am glad to have the opportunity to contribute. All speakers are singing the same tune, which is that this is very much a worthwhile Bill that amends the 1998 Act. The original legislation recognised the significant contribution made by former US Senator, George Mitchell, to the Northern Ireland peace process. Many North-South initiatives have been implemented and I am glad this initiative relates to projecting education on an all-Ireland basis. The role of the late Ted Kennedy and his family in projecting this concept onto the Irish front must also be acknowledged.

The Bill provides for the Government to set aside €20 million to provide for the creation of a scholarship to fund US students to pursue a postgraduate year of study or research in Irish universities and institutions, both North and South, which is welcome, including universities in Galway, Maynooth, Belfast, Dublin and the University of Ulster. The Waterford Institute of Technology, which has a significant involvement in research and development in the science and technology fields, was referred to. I am surprised it is not included in the list of Irish institutions. Perhaps it should be because it has a link with a major technological college in Massachusetts and aims to create links with other third level colleges in the US.

I compliment Trina Vargo who took charge of the scholarship fund through the US-Ireland Alliance. The intention was to award 12 Americans aged between 18 and 30 a scholarship annually to pursue a year of study. Other funding was provided by the British Government and through sponsorship and contributions received by the alliance, including from the US Government. It was agreed by our Government in 2007 to amend the legislation to secure the long-term viability of the fund. According to the Minister of State, nothing happened between 2002 and 2007. Why was that the case? Did the enthusiasm for the scholarship programme wane? We kept the concept moving and became visionary about it but the Government had to pursue America for matching funding. I am worried about putting €20 million into a fund for a period of years to keep the programme going but the money should be used fruitfully.

The website of the US-Ireland Alliance states:

We look for persuasive, documented evidence of significant achievement in three areas: scholarship, leadership, and commitment to community and service. All three areas are important. Some applicants have impressive academic credentials but lack a credible record of accomplishment[.]

It also states leadership and community service are significant criteria. We had the George Lee episode in recent weeks.

Senator Paddy Burke: George who?

Senator Ann Ormonde: He had expertise but he did not have the commitment or the people skills. I am worried that students will be selected solely on the basis of their academic performance because many of them do not have organic connectivity with the world around them. It would worry me greatly that the scholarships would be given to academic high achievers because that is not enough. When the original programme was set up, George Mitchell said:

Wherever you go in life, you will be part of society, be it a neighbourhood, be it a community, be it a state or our great nation but you must be active in that society. Do something in and with your life.

The scholarship is about more than academic achievement. Academic achievement will not result in understanding what public service should be all about. Our money should be spent on US students who will provide public service. What will they do after completing their year of study in Ireland? When they return, what will they do with their lifestyles? I want to ensure our money is used for public service, creating links between Ireland and the US in our education institutions and improving our relationship through the courses that can be provided in both jurisdictions for students.

While I welcome the concept of the scholarship and we must honour George Mitchell's contribution, the fund should copperfasten education links between Ireland and the US which will result in a commitment to public service and leadership by both countries. That is what I want the scholarship to be about. I want our money over the next period to be used to ensure the programme has long-term viability. I worry about this and I want the Minister to ensure the body running the programme, whether it is the US-Ireland Alliance or not, will utilise its postgraduate programmes to provide a commitment to public service and leadership in both countries and to strengthen the bond between the two countries.

Senator Paul Bradford: I am glad to have the opportunity to contribute. I concur with my colleague, Senator Healy Eames, in supporting the Bill. Senator Quinn's contribution was interesting in that he went down a road I had not expected him to travel by questioning the value for money provided by the programme. He also asked whether at a time of economic despair the country can afford to spend €20 million on such a programme. However, the answer must be "Yes". One must consider the broader picture, both from the perspective that €20 million is not a huge sum in the context of the State's entire budget and because we must continue to make certain statements concerning our relationships with the United States and Northern Ireland, as well as regarding our recognition of those who have helped progress in this island over the past decade or so, one such person being George Mitchell. I appreciated Senator Quinn's comments as he questioned the expenditure of €20 million on a day when Members learned of further stress, strife and future difficulties in the education sector. However, every cent and euro that any Department might decide to allocate can be questioned and one always can find alternative ways to spend particular moneys. The question before Members is whether they wish to keep in place this programme, whether they can discern potential future value stemming from it and if so, whether they are willing to put their money where their mouths are. Consequently, I support the Bill.

This is a relatively modest stipend which will be necessary if the programme is to work. Senator Quinn also made the point that as a businessman, he considers the bottom line to ascertain whether it has worked to date. As it has been up and running for a decade or so, it

[Senator Paul Bradford.]

probably is too soon to judge. Who knows what will be the input into Irish-American affairs, business links, commerce and job creation of the young people who have participated in the programme to date or who will do so over the next decade or so? It will take a long time before one can judge the so-called value for money question. The value for money question that I pose and which already has been raised by Senator Healy Eames relates to the management of the fund. It pertains to getting maximum value and so doing in a fashion whereby the initial investment is not put at risk. The entire world has changed, not simply within the past decade but in recent years. At the time of the fund's establishment and during its early years, fund managers generally were perceived as being almost godlike financial figures who could never get an answer wrong. It now appears as though most of them are unable to get an answer right and caution is required. Members must try to ensure the taxpayers' investment is managed cautiously. One recalls the financial and bank advertisements about cautious and aggressive funds and how people who took the cautious route were deemed somehow to be second-class citizens. However, those are the people who today at least are in possession of their own finances. Perhaps this is a matter which can be teased out on Committee Stage but Members must ensure, in so far as is possible, that this money is managed cautiously and conservatively.

I hope continued funding of the scheme will ensure the scholarship programme's continued operation. This issue relates to retaining a strong link between Ireland and the United States. I again listened with interest to Senator Quinn highlighting the point that other strong links exist. While this may be the case, one can no longer expect that Irish-United States relations will continue along the lines which obtained over the past two centuries because of the great competition that now exists for influence, investment and political advantage. As for the so-called 40 million people who declare themselves to be Irish-American of whom one reads, I am sure that when they voted in the presidential election of November 2008, neither Irish-American issues nor the question of which presidential candidate was best for Ireland was at the top of their agenda. Instead, they focused on domestic matters and issues. Many people who wave the Irish-American flag also have links with others such as the Italian, Greek, South American and Hispanic communities. The continent of North America including the United States comprises a highly complex jigsaw with many interwoven links and influence is not as easily obtained or kept today as it may have been 100 years ago. Consequently, we must take every possible advantage and try to strengthen it. On foot of this scholarship programme, over a decade or two a number of young people will have lived, worked and studied in Ireland and will have been influenced to a degree by Irishness, Irish culture and the Irish community. They will take this back with them, which cannot but be of advantage to this country.

Finally, it is important to retain the Mitchell programme as a political monument to Senator Mitchell in recognition of the tremendous work he has done. Members debated the issue of Northern Ireland last week and welcomed the most recent progress. They recognised and welcomed how it has changed as a place and as a political project over the past 20 years. This would not have happened without the input of a significant number of people such as Senator George Mitchell. This programme is a testament to his work and should be kept in place.

Senator Ned O'Sullivan: I have no additional wisdom to bring to bear except to note the name of George Mitchell resonates with everyone. All decent people in Ireland, North and South, owe him an enormous debt. He was a fantastic man who was greatly involved in the peace process and sometimes people in Ireland are quick to forget those who have been of best use and value to them. I would be loath to be in favour of anything that would cast aspersions on the personality and contribution made by Senator George Mitchell. I believe Senator Norris has referred to his background as the son of immigrant parents. The silver spoon did not feature in his life and it is a great testament to America that he was able to rise

to the levels he attained. When he was asked by Bill Clinton to involve himself in the North, he gave it 100%. He undoubtedly must have the patience of Job, as well as the requisite ability, prudence and tenacity. At a crucial stage during the peace process when matters had been dragging on for a long time, he eventually gave both sides a terminal date. As he meant it, it acted as a major wake-up call and he quickly brought people around. As recently as this morning, Members learned of the huge bomb that was planned to cause as much damage as possible in Newry. Consequently, they should not for a minute take for granted that the position in Northern Ireland is close to normality. All the small bits and pieces that have helped to pull together the two sides and to create normal politics are important and this scholarship constitutes one such building block. As such it is important and must be protected and retained and, where possible, enhanced.

The tradition of scholarships goes back to the ancient Greeks and Romans and is an honourable way to honour someone and to create value in society. While I am unsure how long this programme has been in operation, I am sure each participant has gained personally and has been enriched by the experience of coming to study in Ireland. Moreover, I am sure they have brought back to their peers a good account of Ireland. This is a two-way process and long may it continue. Obviously, there is some form of financial spin-off for Ireland in that it increases inward investment from the people who come to stay here, and their families, as a result of the increased involvement the scholarship has created. Naturally, given the times in which we find ourselves, one must seek value for money in everything. I can sympathise with those who ask whether this programme can be afforded at present. Although we probably cannot afford it, nevertheless I believe it must be a priority.

I was disappointed by an e-mail I received before I entered the Chamber. It detained me, which is the reason I am out of breath. It was from a fairly notable Irish American who seemed to be casting aspersions on some of the people involved in the scholarship's administration in the US. This is a red herring, as the important issue is the scholarship's value. I do not have enough information about those who administer it to make a comment, benign or otherwise. The Government will take every step to ensure that, when giving a sum of this enormity, even one that will be phased over a number of years, it will be properly administered and that the right type of people will be able to avail of it. I would like to see people from poor backgrounds in particular getting access to these scholarships. Just as Senator George Mitchell came up the hard way, I would like to see young people from disadvantaged homes and backgrounds getting preference in the selection process.

I have a number of ideas to broaden the scholarship. Clearly, third level institutions constitute the obvious vehicle for utilising the scholarships. Some of the scholars in question have been interns in Leinster House for those of us lucky enough to get them. I have not yet been that fortunate and I am not holding my breath. Perhaps we should consider it separately from the academic element.

Senator Paddy Burke: Senator O'Sullivan will be luckier in the next Seanad.

Senator Ned O'Sullivan: I hope to be back. The Cathaoirleach will be familiar with a scheme operating among local authorities, namely, writers in residence whereby a noted writer would spend six months or so in a county town like Tralee. Having a Mitchell scholar in residence around rural counties might be a nice idea, as this would give them broader access away from university towns and cities. There might be a role for them.

Senator Fidelma Healy Eames: Senators in residence.

Senator Ned O’Sullivan: Senator Healy Eames is involved in an arts festival in Galway. Perhaps some of the scholars in question could be seconded to festivals such as that, writers’ week in Listowel and so on. They would gain practical as well as academic experience. It is a good news story.

Senator Fidelma Healy Eames: Hear, hear.

Senator Ned O’Sullivan: We just need to find the money for it. I wish the fund well.

Minister of State at the Department of Education and Science (Deputy Seán Haughey): I thank Senators for their contributions in this constructive debate. They have rightly raised a number of questions regarding the Bill’s aims and objectives and how to proceed. I will endeavour to deal with their questions as best I can.

I was asked how many additional scholars will come to Ireland as a result of this legislation. I want to be clear, in that it is not proposed that any additional scholars will come to Ireland as a result of the funding. Rather, the fund will be used to ensure the viability of the scheme. That it is limited to approximately 12 scholars gives the scholarship additional prestige, which we all agree is important.

I was asked about the percentage of expenditure going towards administration. Information is available in the annual accounts, which are laid before each House of the Oireachtas. The amounts range from a high of \$119,681 in 2001 to a low of \$4,580 in 2004.

A number of Senators, including Senator Healy Eames, asked about the evaluation of the experiences of the 117 participating students. Ongoing evaluation is conducted by the alliance and virtually all of the information is available on its website. I understand the alliance operates extensive tracking of the Mitchell scholars in this regard.

Senator Healy Eames also queried the funding methodology, namely, whether the Government matching funds raised by the alliance from other sources is the best arrangement. This decision was taken in 2007 and agreed with the alliance. The detailed agreement negotiated since then and this Bill will implement that decision.

Senators Ormonde and Keaveney asked about the institutes of technology and suggested they should be eligible. The Senators will be pleased to know the institutes are eligible under existing legislation, an arrangement that will continue under the current agreement.

A number of Senators raised the question of the internationalisation of education, particularly in respect of the roles of Enterprise Ireland. Given its marketing role, Senator Healy Eames will be aware that the Government decided not to proceed with the establishment of Education Ireland because of concerns about the growth in the number of State bodies. Instead, the Minister for Education and Science produced a new framework for the promotion of Ireland as a centre of international education. As part of this, a high-level group has been established. It comprises representatives from a number of relevant Departments, State bodies and stakeholders. The Minister has asked the group to prepare an action plan by this summer on enhanced performance by Ireland in the international education sector. The action plan will be focused and practical and will address issues such as strategic direction, quality, the needs of students, priority markets, system capacity, branding and marketing issues and Ireland’s overall competitiveness in this area.

Senator Healy Eames also mentioned the barriers erected by the Department of Justice, Equality and Law Reform to international students coming to Ireland. That the high-level group has a representative from that Department is important, as is the Department of Education and Science’s representation on a Department of Justice, Equality and Law Reform

group examining issues relating to student immigration. These aspects should help to address problems of which we are all aware.

Clarification was sought concerning another matter. To date, the Government has made one payment of £20 million.

Senator David Norris: Is the Minister of State claiming that the Government has actually made a payment of £20 million? Surely that cannot be right.

Senator Fidelma Healy Eames: He means £2 million.

An Cathaoirleach: Allow the Minister of State to reply.

Deputy Seán Haughey: I am sorry. The Senators are correct. I am glad they——

Senator David Norris: I am sure Ms Vargo would accept the £20 million were the Government generous enough to give it to her.

Deputy Seán Haughey: Questions were asked about investment advice fees. According to our information, the alliance secured the best advice available regarding its investment of Government funds. An examination carried out by the Department some years ago showed that the returns received were as good as those achieved by a number of pension funds. It must be acknowledged that the reduction in the fund's nominal value was due to the poor investment climate that affected funds generally. All of us would accept this as being the case.

Senator Quinn put the cat among the pigeons, if I may say so, and questioned the wisdom of providing in the legislation for €20 million over five years, given the current fiscal constraints. I recognise his concern in this regard. However, in the present climate it is likely the expenditure will be spread over a longer period than five years. Our commitment is to match the funding to be raised by the US-Ireland Alliance, up to a limit of €20 million and subject to a cap of €4 million in any one year. I emphasise that this is a strategic investment and that there will be a direct financial benefit to the Irish economy. In addition, we expect that the scholars' period of study in Ireland will create an enduring legacy of goodwill towards Ireland and be of significant benefit in the future.

Ms Trina Vargo has indicated on a number of occasions that the Mitchell scholarship scheme has heightened the profile of Irish higher education in the United States. This has, in turn, attracted US students, who might otherwise have chosen another destination, to come to study in Ireland. There have been instances of students who failed to secure a Mitchell scholarship but still decided to come to Ireland to study at their own expense. That is significant.

Senator Norris mentioned the geographical imbalance between the North and South of Ireland. All third level institutions, both universities and ITs, in the Republic and in Northern Ireland are included. There is also the aspect of the students' choice of what college they wish to attend. It is the students who decide which college they wish to attend. Other Senators also made reference to that question.

We have had a good discussion. I welcome the broad support for the Bill. I associate myself with the remarks of a number of Senators with regard to the changing nature of the relationship between Ireland and the United States. Senator Healy-Eames opened her contribution in that vein. We all recognise that the nature of the relationship has changed. That has been clearly set out in the document, *Ireland and America: Challenges and Opportunities in a New Context*, which was published in 2009.

[Deputy Seán Haughey.]

I also wish to be associated with the words of encouragement and support for Ms Trina Vargo and Senator George Mitchell and for the role played by the late Senator Edward Kennedy in relations between the United States and Ireland.

Question put and agreed to.

An Cathaoirleach: When is it proposed to take Committee Stage?

Senator Cecilia Keaveney: Now.

Agreed to take Committee and Remaining Stages today.

George Mitchell Scholarship Fund (Amendment) Bill 2010: Committee and Remaining Stages.

Sections 1 and 2 agreed to.

SECTION 3.

Government amendment No. 1:

In page 4, line 10, after “manager” to insert “with the consent of the Minister”.

Minister of State at the Department of Education and Science (Deputy Seán Haughey): Amendment No. 1 ensures that accountability arrangements for the annual audit of the fund are further strengthened. This amendment ensures the auditor, which the fund manager is obliged to appoint each year, is appointed with the consent of the Minister.

The George Mitchell Scholarship Fund is held, controlled and managed in the United States by a fund manager, currently the US-Ireland Alliance, on behalf of the Minister for Education and Science. Under the existing agreement the fund manager is required to provide the Minister with a copy of the audited accounts of the fund on an annual basis. During the debate on Committee Stage in the Dáil it was suggested that consideration be given to having the Minister appoint the auditor each year. I explained then that, given the fund is managed in the United States, it is considered more appropriate that a US based audit firm conduct the annual audit of the fund.

The present arrangement whereby the fund manager appoints the auditor has operated since 1999. Copies of the audited accounts are also conveyed each year to the Office of the Comptroller and Auditor General before being laid before the Houses of the Oireachtas. It is also considered more practical for the fund manager to select the firm to conduct the annual audit in the ordinary course of events. Under both the existing and draft new agreement, the Minister can request, and the fund manager must permit, additional independent auditors to examine the records related to all matters of the agreement.

However, having considered the issue in some detail, particularly the contribution by Deputy Ruairí Quinn in the Dáil last Thursday, I am satisfied that having the fund manager appoint the auditor each year, with the consent of the Minister, makes for an improved arrangement and hence the amendment.

Senator Fidelma Healy Eames: This is an important amendment. I commend Deputies Ruairí Quinn and John Perry for alerting the Government to the need for it in the other House and I commend the Minister of State for bringing it forward here.

Given the fund manager is American, would he or she listen to an Irish Minister, would he or she be compelled to do so and how would we enforce that requirement? The amendment is

being made in order to oversee and safeguard the management of the fund. How would such a measure be enforced, if that had to be done?

Deputy Seán Haughey: There has been protracted discussions between my Department and the alliance on all of these issues and satisfactory safeguards have been put in place with regard to oversight. We have given this serious consideration. There is absolute co-operation between the alliance and the Department and these things are dealt with in a spirit of co-operation. The consent of the Minister will be provided for in legislation if the Bill is passed. It will be taken into account and acted upon by the alliance and by the fund manager.

Senator Fidelma Healy Eames: Will that be laid before the Houses of the Oireachtas?

Deputy Seán Haughey: Will what be laid before the Houses of the Oireachtas?

Senator Fidelma Healy Eames: The annual audited accounts.

Deputy Seán Haughey: Yes. The accounts are laid before both Houses of the Oireachtas. In the Dáil, some Deputies felt it would be a good idea for the Joint Committee on Education and Science to examine this issue from time to time. The accounts are laid before both Houses in the normal course of events.

Amendment agreed to.

Section 3, as amended, agreed to.

Sections 4 to 6, inclusive, agreed to.

Title agreed to.

Bill reported with amendment, received for final consideration and passed.

An Cathaoirleach: When is it proposed to sit again?

Senator Cecilia Keaveney: Ag 10.30 ar maidin amárach.

Adjournment Matters.

Financial Regulation.

Senator David Norris: I welcome the Minister of State, Deputy Áine Brady. As she may know, although my principal interest is in human rights, I contribute in a positive and constructive manner from time to time to the debate on economics. My positive attitude, however, does not mean that I am loath to be critical of either individuals or systems, as will be seen from a very significant case I raised last year concerning financial irregularities and the subsequent widespread cover-up. The Adjournment matter I raised at that time achieved its aim by generating significant publicity and helping to re-open an inquiry, although the matter is not yet concluded.

On this occasion I was approached by a senior financial executive from one of the European banks with its Irish headquarters in the Irish Financial Services Centre. This man, a senior risk manager at the bank whose repeated warnings that liquidity had fallen disastrously short of the required levels went virtually unheeded, was eventually obliged to resign his position in order not to incriminate himself.

[Senator David Norris.]

I had several further meetings with this man, whom I designate “Whistleblower”, including one where he was accompanied by a senior financial figure from another Irish institution who fully corroborated his story. I formed a view that Whistleblower was a man of integrity and courage. He showed me a communication from the offending bank which stated that his allegations were false and defamatory and threatened legal action on foot of a particular letter dated 8 April 2008 addressed to senior management. It is open to the Minister to examine this matter, including the role or, indeed, significant failure of the Financial Regulator in this case as well as seeking discovery of all relevant documentation. This is what I now demand that he do in the interests of restoring the reputation of our banking system and meting out justice for Whistleblower, who behaved honourably, and to the banking institution, which has not.

Liquidity and the perception of a positive liquidity position is essential for the life blood of banking to flow. The crucial matter is whether the asset and liability side of a firm’s balance sheet can be realised and to what degree its assets would cover debts or obligations in the case of the dissolution or liquidation of the company. There are regulations proposed by central authorities that the ratio between liquid assets and liability would not be allowed to fall below certain guidelines. It is a requirement in the eventuality that this happens that the Financial Regulator should be informed immediately. These regulations were introduced by the Financial Regulator following the accord of the Bank of International Settlements in Basel 2007 under which the liquidity ratio below which banks should not fall was 90% of liabilities. This is monitored daily.

Whistleblower, following a career in banking in German banks in Ireland, joined the named bank in mid-May 2007 just some months before the liquidity regulations came into force on 1 July 2007. He was quickly established as risk manager for the company and, therefore, was among those responsible for reporting any such breaches. Consequently, when or if the bank failed to meet its obligations, he would be among those who risked severe penalties.

From the commencement of the operation of the regulations in July 2007 until Whistleblower’s resignation in mid-September of the same year, several daily liquidity reports showed the bank to be well beneath the 90% threshold. Each time he expressed concern, he was convinced by the bank’s treasury manager, his own assistants and the bank’s chief executive officer that these liquidity breaches were only technical and were related to information technology difficulties of which he was not fully cognisant. In other words, he was assured from the very top of the bank that these were not real breaches, merely technical glitches in the computing system, and he was instructed by the chief executive officer that they should not be reported to the Financial Regulator.

There had already been tension between the treasury team at the bank and the risk manager, that is, Whistleblower. He had a precise and ordered view of the way the regulations should be applied and on several occasions reprimanded staff for leaving work, such as the documentation of a multi-million euro transaction, incomplete.

Whistleblower contacted *The Irish Times* and spoke to a reporter in the financial area. The reporter indicated that he was aware of the situation in the bank on foot of an anonymous e-mail from some other source. The e-mail apparently stated that the bank in question was in a state of chaos and that the auditors were threatening to withdraw their services.

Despite the fact that what Whistleblower described as high pressure tactics were used at the bank to inhibit him from reporting breaches on the grounds that they were merely technical, on one occasion in late July or early August 2007, a breach actually was reported. On this occasion, a letter was prepared which notified the Financial Regulator that the bank’s liquidity ratio stood at only 70% but promised to remedy the situation immediately. This is a very

serious matter as the margin of appreciation allowed under the regulations is a mere 1%. This represented 20 times the allowable margin. The letter was hand delivered to the Financial Regulator by Whistleblower who received a receipt which is now in the possession of the bank. Thus is established a clear and unbroken chain of evidence implicating not only the bank but also the Financial Regulator.

So worried was Whistleblower that he contacted a well-known firm of financial software consultants in London to seek their help in rectifying the situation. This company, whose name I shall supply to the Minister of State, agreed and Whistleblower facilitated their on-line connection to the system in Dublin. Within a day or two of this connection being made, an expert from the company telephoned from London to say that their calculations showed that the relevant liquidity ratio was only 50%, another staggering 20% lower than the already dangerous and impermissible 20%. He intensified his attempts to resolve the situation at the bank but met with such resistance that on 13 September 2007, he signified his intention to resign by e-mail as follows:

Dear [...]

In view of yesterday's discussions in your office which have once again highlighted the fact that the integrity of the information provided to me as a Manager is doubtful, it has become apparent that I am not in a position to fulfil my contractual obligations as Risk Manager at [X] Bank.

Therefore I regretfully wish to advise you that I am resigning from my position at this bank. Obviously I shall not be signing any report or document with immediate effect.

Under the terms of his severance, he remained technically an employee of the bank for the next month while his notice was worked out, although he did not attend the workplace. The bank attempted to persuade him to withdraw his resignation but he refused. Informants within the bank told him that on receipt of his resignation, all hell broke loose and eventually the Financial Regulator took over the entire bank for approximately two weeks. One of the figures involved at the London end of the consultancy firm told him that shortly after the Financial Regulator's staff arrived at the bank, the link between the consultancy and the Dublin bank was disconnected on the Dublin side and all communications between the bank and external consultants ceased. This suggests panic on the part of the Financial Regulator and the bank. This was not entirely surprising given that the Financial Regulator was already under negative pressure from its German regulatory counterpart, BaFin, because of the near collapse of Sachsen Landers Bank triggered by irregularities in its Dublin subsidiary.

It is astonishing that my informant, who was the initial whistleblower, was not on any occasion interviewed by the Financial Regulator nor was any attempt whatever made to contact him despite the fact that he was still technically an employee of the bank. Nevertheless, it is a

6 o'clock legal requirement that all documentation of this kind must be kept and available for review at the bank. On top of this, records in the possession of the Financial Regulator should also document the bank's failure to satisfy the liquidity regulations. One would not have to be Albert Einstein to detect, by comparing the balance sheet figures reported to the Financial Regulator by the bank with the liquidity ratios that were also reported, that an entire section of the bank's balance sheet was not accounted for in the liquidity calculations. This may well have something to do with the lamentable situation encountered in other major Irish banks where dubious interbank loans are covertly arranged — something known as repo and reverse transactions. It seems obvious that there is a *prima facie* case that the bank behaved grossly irresponsibly and in breach of the law and that the Financial Regulator completely failed to engage in prudential supervision and exercise control of the bank's

[Senator David Norris.]

activities as required in the State. I have presented a cast-iron case to the Minister to investigate this serious matter further.

Minister of State at the Department of the Environment, Heritage and Local Government (Deputy Áine Brady): I thank the Senator for raising this matter on the Adjournment, to which I am pleased to respond on behalf the Minister for Finance.

Liquidity management is an essential requirement to ensure the proper functioning of credit institutions in order that they can meet their various obligations in a timely fashion as they fall due, while continuing to fund their day-to-day operations. In this way, depositors and other creditors of individual institutions can be assured that a credit institution's commitments to them can be met. Robust liquidity management within individual institutions is also essential in order to maintain stability in the financial system as a whole.

The supervision of liquidity requirements for credit institutions licensed and operating in Ireland is primarily a matter for the Central Bank and the Financial Regulator within the legislative and policy framework laid down by the Minister for Finance in the context of their overall responsibility, respectively, for financial stability and the prudential supervision of credit institutions. The Minister for Finance has no role in the oversight of the liquidity of individual credit institutions. If the Senator is in possession of any information to suggest a credit institution has breached its liquidity requirements, I invite him to bring the matter to the direct attention of the Financial Regulator, if he has not already done so.

The Financial Regulator imposes quantitative and qualitative standards for liquidity for all credit institutions that it supervises, be they credit institutions operating in the domestic market or those operating in international markets. These standards are outlined in the Financial Regulator's document, Requirements for the Management of Liquidity Risk, and have been formally imposed as a condition on the licence of all credit institutions. The Financial Regulator also has a role in monitoring the functioning of liquidity within branches of credit institutions operating in Ireland where these are supervised by their home country regulator. The Financial Regulator maintains close communication with the regulators of other member states for this purpose.

Credit institutions are obliged to report weekly to the Financial Regulator on their liquidity requirements. All credit institutions are also obliged to be in compliance with the requirements on an ongoing basis. Breaches of liquidity requirements may be subject to proceedings under the Financial Regulator's administrative sanctions procedure or to prosecution.

It is important to note that while the Financial Regulator monitors compliance with its liquidity requirements, each credit institution also has a direct obligation to put in place the necessary structures and controls to ensure the Financial Regulator's requirements are met. In particular, the board of each credit institution is responsible for developing a strategy for the ongoing management of liquidity risk and for establishing a management structure to enable the institution to identify, measure, monitor, control and report on liquidity risk. Any breach of the quantitative liquidity requirements must be notified to the Financial Regulator immediately.

The importance of good liquidity management to the soundness of individual institutions and the financial system as a whole has been made abundantly clear from events throughout the recent financial crisis. The crisis clearly highlighted that, without good liquidity management principles and practices, financial institutions would quickly find themselves under stress and unable to meet their obligations. Internationally, the ample supply of liquidity in the years preceding the onset of the financial crisis in 2007 left many credit institutions unprepared for

the shocks that occurred and many credit institutions struggled to maintain adequate liquidity throughout the financial crisis. For this reason, the European Central Bank and other central banks have been providing extraordinary liquidity support for financial institutions throughout the eurozone during the current financial crisis. These measures were introduced at the discretion of the ECB to deal with the liquidity crisis affecting the European-wide banking system. Irish credit institutions and many European credit institutions have obtained liquidity support provided by the bank. However, dependence on ECB lending has been significantly reduced, indicating that conditions in international financial markets have improved substantially and Irish credit institutions have benefited from improved funding conditions which has been reflected in reduced recourse by Irish banks to Eurosystem funding. The ECB has indicated publicly that it is engaging in the progressive, timely and gradual phasing out of the non-conventional measures which were introduced in response to the financial crisis but that, notwithstanding this, liquidity support will remain for months to come. As such, there are no negative implications in the medium term from the announced “phasing out” measures.

Arising from the lessons of the financial crisis, the Basel Committee on Banking Supervision has recently issued proposals for international minimum quantitative liquidity requirements to enhance banks’ approach to the management of their liquidity requirements and build up their resilience to future shocks. These standards will in due course be implemented in Ireland through EU legislation. The proper management of liquidity, in line with the requirements of the Financial Regulator, is, in the first instance, the responsibility of credit institutions and their boards. Credit Institutions are expected to meet these requirements on an ongoing basis and any breach should be immediately brought to the attention of the Financial Regulator.

Senator David Norris: I accept the Minister of State is not qualified in this area but her reply is a most astonishing statement. Of course, there is ministerial responsibility in this matter. I would not have been permitted by the Cathaoirleach to raise it if there had been no ministerial responsibility. That comment should be struck from the Minister of State’s speech. I know this is not her area but I would like her to take the message back to the Minister for Finance, Deputy Brian Lenihan, that there is ministerial responsibility in this matter.

This is a grossly serious matter which has been reported to the Financial Regulator. A man has lost his job as a result. He honourably resigned. The degree of breach was 40 times the accepted margin. This is a disaster. If we are not prepared to face the issue and investigate it when it has been laid before the House, there is absolutely no hope for the financial system or its reputation worldwide.

I accept and understand it is not possible to anticipate what I will say in a debate; therefore, I will excuse the reply on that basis. However, I have made very clear requests that this matter should be examined. How can the Finance Regulator investigate himself? He was in breach of his responsibility. That is the first point. The second is that the bank must be pursued and that the honour of the man whose reputation has been traduced must be restored. It not too much to ask in this Parliament that this should happen. I want the process to start tonight. I gather from the Minister of State who is nodding that she will undertake to do so, for which I thank her.

Diagnostic Laboratory Services.

Senator Fidelma Healy Eames: The Minister of State is welcome. I thank her for taking this Adjournment matter.

[Senator Fidelma Healy Eames.]

My question is to ask the Minister for Health and Children, Deputy Mary Harney, if she will present evidence and justification for her comments in the Dáil on 8 December 2009 on public diagnostic laboratory services and if she will support them with respect to clinical laboratory services in the HSE. The Minister stated:

The main issue is quality and cost. The Deputy knows from the report that our turn-around time is bad, our quality is poor and our cost is enormous. Clearly, from any perspective, that is not satisfactory. The intention is to go to tender and there has been discussion with stakeholders. One would hope that the public service would be successful in that tender but clearly it must compete on the basis of quality, turn-around time and cost. That must be the future because if we waste €200 million on this service that could be used in areas where we have deficiencies, be that in the child protection area or the many other areas where there are deficiencies, no one could defend that. Quest Diagnostics is in discussions about a public facility in Ireland with a view to putting facilities in place.

I seek a defence of this statement and evidence to support what the Minister said. This statement has caused much offence. It was made in support of the policy of the Department of Health and Children to pursue privatisation of diagnostic laboratory services. The Minister said, “The Deputy knows from the report that our turn-around time is bad, our quality is poor and our cost is enormous”. I draw attention, in particular, to the words, “our quality is poor”. That is a sweeping statement and indicates that either she is poorly informed or deliberately misrepresenting the entire public laboratory service to suit her political agenda. The quality assurance systems in publicly owned diagnostic laboratory services in Ireland are variable but as a result of tremendous efforts, some are now fully compliant with the ISO 15189 standard for quality assurance and many others are compliant with the CPA UK standard.

If accreditation was slow, this was because the Government did not invest in timely accreditation of our laboratories and then criticised them unfairly for not having accreditation. It turned to Quest to outsource much of our laboratory testing. Given this, the Minister’s statement is offensive to those who have worked so hard to achieve this quality standard. Furthermore, it appears the Minister’s statement is likely to be prejudicial to the ability of the HSE to defend claims of medical negligence related to clinical diagnostic services since litigants will be able to point to a public statement on the Dáil record by the responsible Minister that the quality of diagnostic laboratory service is poor in Ireland. That is quite a claim and it is important that the Minister retract it.

She also stated that turnaround is poor and there is no doubt that turnaround varies from place to place and with the type of test. There is little evidence that I am aware of that most doctors or patients are dissatisfied with the turnaround for most laboratory tests; surveys of users performed by some laboratories show overall quite positive perceptions of service by most respondents. If the Minister has evidence that clinically unacceptable turnaround times for commonly requested tests is common, she should produce it.

Costs are certainly too high but there are many ways of reducing cost, of which privatisation is one but not the only one. A significant factor in the high costs are the salary increases awarded without changes in work practices during the tenure of the Minister, Deputy Harney, and her failure throughout this tenure to pursue a policy of consolidation of service in a limited number of regional centres with critical mass. Regardless of the merits of the policy of privatisation the Minister should withdraw her unqualified criticism of the quality and turnaround time

of existing laboratory services or else produce evidence to substantiate it. I look forward to the Minister of State's comments.

Deputy Áine Brady: I am taking this Adjournment matter on behalf of my colleague, the Minister for Health and Children, Deputy Mary Harney.

Approximately 77 million laboratory tests are undertaken annually across 44 public hospitals. At present the annual cost of this service is approximately €470 million. The workload comprises both urgent and non-urgent tests and a significant proportion of the activity originates in the primary care setting. As with all other parts of the health service and the public service generally, it is essential that laboratory services are delivered as safely and as cost-effectively as possible.

The external review of laboratory services which was conducted for the HSE by Teamwork Management Services in 2007 highlighted limitations in the organisation of laboratories. These limitations had an adverse effect on quality, turnaround and cost. The review found at that time that "the whole system quality" of laboratories was not of a sufficiently high standard. The review also found that the overall proportion of individual laboratory medicine disciplines that had achieved accreditation status was low, "end-to-end" information systems were unsatisfactory and logistic services were inadequate. It found as well that the general condition of the laboratory estate typically was of traditional design and outmoded.

In light of the review, the HSE announced plans last year to modernise laboratory services and achieve significant efficiencies in the configuration and operation of these services. The HSE has already had significant engagement with stakeholders in progressing this initiative. Groups such as the faculty of pathology, the Medical Laboratory Scientists Association and the Association of Clinical Biochemists will continue to have a significant input into the process.

As part of this initiative, the HSE has commenced discussions with the National Development Finance Agency about the capital financing of a small number of dedicated "cold" laboratories to process the large volumes of routine patient tests, many of which originate in primary care, currently undertaken in hospital laboratories. This process will include a robust analysis of the cold laboratory business model from a value-for-money perspective.

The Minister is pleased to acknowledge that some improvements in laboratory services have taken place since the completion of the Teamwork review. The number of individual accredited laboratory disciplines has increased significantly. In addition, some reconfiguration of laboratory services has been achieved by transferring work undertaken in a number of small laboratories to larger laboratories. This has allowed for a higher level of throughput. The HSE has indicated that improved processes introduced in the past year have achieved non-pay savings in 2009 of some €5 million.

The Minister is satisfied that the measures being taken by the HSE, with ongoing input from stakeholders, to modernise laboratory services are necessary and appropriate for the reasons which have been outlined. On behalf of the Minister I again acknowledge the important contribution of staff and other stakeholders to the planning and implementation of these changes and to the shared commitment of all to the objective of providing high quality, cost effective laboratory services. The Minister looks forward to continued significant progress on this important agenda for the health service.

Senator Fidelma Healy Eames: I thank the Minister of State for her response but I am not satisfied that the statement addressed the issue. Is the Minister concerned that her statements on the record will open the State to litigation?

Deputy Áine Brady: I am not prepared to answer that question but I will pass it on to the Minister.

Ferry Services.

Senator Denis O'Donovan: I thank the Cathaoirleach for allowing me to raise this matter on the Adjournment as it is extremely important. The ferry in question is due to have its inaugural sailing on 1 March, which is next Monday. There has been a ferry link for over 60 years from Cork to different parts of Wales, including Pembroke, Swansea and, before my time, Tenby. The service is worth approximately 1,100 jobs to the Cork and Kerry region and we have had two very poor tourism seasons in that area.

This is the third year in which the ferry has not operated and the people of west Cork and Kerry formed a co-operative some months ago with the target of raising €13.5 million to put the ferry service back in operation. I acknowledge that a fund-raising drive by way of selling shares was undertaken in Cork, Kerry and further afield bringing about €4 million from amounts of €10,000 or less. Some 500 people and local businesses were involved in this drive as it is a community-based project. Some €6.3 million was obtained from a Finnish bank and an equity business in Wales contributed €1.7 million, so €12 million has already been committed to the project.

Unfortunately, an outstanding balance is required to ensure the ship is in a sailing condition and the season can get under way. I appeal to the Minister to see that the balance is put up in some form. I am aware that competition rules prohibit the money being given directly. The company is expecting more than 30,000 passengers in 2010 and its initial advertising and bookings process has been substantial.

This service to the region would be a ray of light in some difficult times and it is a must-win case, so funding must be found through the likes of Enterprise Ireland or some other source. Investment is critical and I am appealing to the Minister because we have only days left in which to act. The Welsh Government has apparently put its cards on the table and I ask the responsible Minister to act. The issue may cross several Departments, including the Department of Finance and the Department of the Minister for Transport, Deputy Noel Dempsey. It may also involve the Department of Arts, Sport and Tourism. I know the Minister for Foreign Affairs, who lives in the region, has put tremendous work into this. We are at a critical juncture where time is of the essence, and hours rather than days are left to ensure this ship sails. If it does not sail, the catastrophic consequences to the region will minimise the unfortunate loss of jobs in Dublin and the hangar 6 debacle last week. We are talking about 1,100 jobs here. Tourism is now the third largest industry in Cork and Kerry, and in some areas it is probably the second largest. Towns like Kinsale, Bantry, Schull, Baltimore, Clonakilty, the peninsulas in west Cork, and towns like Killarney, Dingle and Kenmare are very dependant on tourism. That is why I raise this matter and I hope the Minister of State can give a positive response to ensure tourism in the region will get a boost.

The directors, shareholders and people in the area put their best foot forward and went out to collect about €4 million. It is a significant contribution and they did not sit back and expect that money would come down from heaven. There is a financial contribution of slightly more than 10% required to ensure the ferry sails. If we can get up and running this year, the ferry will eventually be cost effective. The previous ferry made money in its last year, but the owner, who was a non-national, sold the ferry with a view to replacing it. He probably got a very good price, but the new ferry, the *MV Julia* is a much bigger ferry. Not every ferry can operate on the sometimes rough seas between south Wales and Cork.

I keep my fingers crossed that the Minister of State will convey positive news tonight.

Deputy Áine Brady: As stated in the Adjournment debate on the same topic in the Dáil last Wednesday, the Minister for Transport has no function in, or finance for, the provision of ferries on this or any other route, other than being as supportive as possible. The Minister certainly hopes the Cork-Swansea service can be re-launched successfully and that it is commercially sustainable.

Safety is paramount for any new passenger ferry service and the Department of Transport has important functions in that respect. This includes a mandatory initial safety verification of a roll on-roll off passenger ferry prior to the start of the operation of the ferry on a regular service. This is required under EU Directive 1999/35/EC. The directive applies to all ro-ro passenger ferries and high-speed passenger craft operating to or from a port of a member state, regardless of where the vessel is registered. The directive requires that the host states, in this case Ireland and the United Kingdom, must carry out an initial verification on a ro-ro passenger ferry prior to the start of the operation of the ferry on a regular service. The ship must also carry valid certificates issued by the administration of its flag state, in this case Bermuda. The marine survey office of the Department of Transport will co-operate closely with the UK authorities in carrying out these verifications. The marine survey office has been advised by Fastnet Line that the ship should be ready for inspection later this week and surveyors will travel to Swansea to carry out the inspections.

The Minister for Transport appreciates that the suspension of the service since 2007 has had an impact on the local region, in particular on tourism, and that there is a strong desire for the service to be re-launched. However, current market conditions are very challenging in the shipping sector. The sector has been hit harder than most by the global recession. Like all businesses, securing investment and bank financing is very difficult for shipping companies at the moment. Ferry services to the UK also face the additional challenges of fluctuating fuel prices and of operating all year, including when tourist numbers are low, in order to offer a service to the freight industry.

Since the previous operator withdrew the service, the Port of Cork Company has worked very hard to try to have it reinstated. In early 2009, the West Cork Tourism co-operative was formed with the objective of re-launching the service. Despite the efforts of the port company and the co-operative, no existing shipping company could be found to operate the service. The co-operative then took the courageous decision to try to re-launch the service itself. The Minister recognises that great efforts have been made by all concerned to make this a success. This has been a community based initiative and the Minister acknowledges that it has considerable and broad spread regional support.

Over the course of 2009, the co-operative raised €2.5 million from the sale of shares to local investors. Since the purchase of the vessel in September 2009, Fastnet Line has been trying to raise further funding to finance the pre-launch and operating costs of the business. The Minister for Transport has recently given approval, with the consent of the Minister for Finance, to allow the Port of Cork Company make a commercial investment by purchasing €200,000 of bonds from Fastnet Line. The final decision was entirely a matter for the board of the Port of Cork Company.

The Minister understands that some of the local authorities have also made similar investments. It is not open to the Government, under State aid rules, to provide direct financial support to the venture, but it is advised that commercial investments by State agencies are permissible. A range of supports is available from various State agencies for any new venture.

[Deputy Áine Brady.]

Fáilte Ireland is available to support any new service through active promotion and marketing. The Irish Maritime Development Office has also offered its services to Fastnet Line. In summary, a broad range of support has been provided to Fastnet Line to help make it a success.

The Government has taken a number of other initiatives in recent years to support the development of the Irish shipping industry generally. The Irish Maritime Development Office is the shipping sector's statutory, dedicated development and promotional agency. The Government has introduced a number of fiscal and strategic policy measures to promote Irish maritime sector activity, both at sea and on shore. Such promotion concentrates on fiscal areas, marketing and the education of seafarers.

The Seanad adjourned at 6.30 p.m. until 10.30 a.m. on Wednesday, 24 February 2010.