

SEANAD ÉIREANN

Déardaoin, 20 Bealtaine 2010.
Thursday, 20 May 2010.

Chuaigh an Cathaoirleach i gceannas ar 10.30 a.m.

Paidir.

Prayer.

Business of Seanad

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

The need for the Minister for Enterprise, Trade and Innovation to make a statement on his plans to assist the workers of Pfizer, Cork, to relocate to new employment and to outline his plans to attract greater employment to the Cork area.

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

The need for the Minister for Health and Children to ensure the continuation of the MiDOC out-of-hours service in the midlands area.

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

The need for the Minister for Health and Children to outline the impact maternity leave and retirements are having on community hospitals' nursing units due to the public sector recruitment moratorium and the long-term implications for facilities such as those at Carndonagh and Buncrana, County Donegal.

I have also received notice from Senator Brian Ó Domhnaill of the following matter:

The need for the Minister for the Environment, Heritage and Local Government to amend the development central advice and guidelines road policy and the policy and planning framework for roads to differentiate between national primary and national secondary routes for planning purposes.

I regard the matters raised by the Senators as suitable for discussion on the Adjournment. I have selected the matters raised by Senators Buttimer, McFadden and Keaveney and they will be taken at the conclusion of business. Senator Ó Domhnaill may give notice on another day of the matter he wishes to raise.

Order of Business

Senator Donie Cassidy: The Order of Business is No. 1, Euro Area Loan Facility Bill 2010 — all Stages, with Second Stage to be taken at the conclusion of the Order of Business, on which spokespersons may speak for 12 minutes and all other Senators for seven minutes and

[Senator Donie Cassidy.]

Senators may share time, by agreement of the House, and at the conclusion of which there will be a sos of 30 minutes; and No. 2, motion for earlier signature, to be taken at the conclusion of No. 1.

Senator Liam Twomey: I seek a full-day debate on issues related to crime. It is amazing to read how a serial rapist can get an apartment, paid for by the HSE, in a complex where several young women are living, yet they have no indication that this individual is living among them. We should examine how we have ended up in a situation where a 21 year old gets convicted for involvement in a very serious crime, having by that stage amassed 75 previous convictions. We must hold a serious debate on criminal issues in society at present and how such a situation could occur. We should also consider a debate on how a convicted child rapist managed to get the President of a European country to carry a letter on his behalf to the President of the United States of America. This same convicted child rapist is getting the support of numerous celebrities throughout the world. It sends out a very mixed message, especially when one considers what we have been discussing with regard to the Ryan report and other reports in this country. We should hold a debate on the matter and such practices should be condemned forthwith.

Senator Joe O'Toole: The Government took a decision last year on which there was very little discussion, that is, the setting up of a hotline for missing children. Throughout European countries the 116000 number is used. It is a number people can ring immediately if there is any danger of a child being kidnapped, absconding, going missing, running away or whatever internationally. At such times, families are subject to a great deal of trauma. I spoke to several people about this issue and they simply do not know where to go. Eventually, such people ring the Garda and it has a certain process that it puts in place.

As we are well aware, this is an international issue. The Irish Government has opted out of the 116000 number on the basis of saving money. I do not know how much money is being saved by not manning, dealing with, processing or administering a single phone number which could be of extraordinary help to people. Hundreds of people go missing in the course of a year, some for a short term and some for a long term, but this is an issue for people. There is the question of children in the care of the HSE, an issue which received a high profile last week in the McAnaspie case. Not all such children finish up as bodies in a ditch. They finish up in other places and they find themselves trafficked into other countries, among other possibilities. We are aware of the issues and I put it to the Leader that the Government should inform us why we cannot buy into the 116000 hotline as other European countries have done. What putative savings are being made by not participating in this system?

The Government proposes to increase the betting tax. While I have no problem with that, one of the spin-offs is that the large international companies will remain on-line and offshore. We will collect nothing from them while the small, local bookmakers in towns throughout Ireland will be put out of business. Such a move would make them uncompetitive. I am unsure how it would work, but we should introduce legislation to ensure the large companies, such as Paddy Power and others, are on a level playing pitch with the other, normal bookies in towns. We must consider this in a fair way. We should not introduce legislation that might bring in some extra money to the industry but close down jobs throughout the country in towns in various places. I ask for these two issues to be raised with the appropriate Minister.

Senator Dominic Hannigan: It is one year since the publication of the Ryan report into institutionalised child abuse. At that time, a list of 20 recommendations was published, which, if implemented, would mean such atrocious incidents could never happen again. Today, eight

of our key child protection agencies are meeting in Dublin to discuss whether support services have been put in place for the victims and to discuss the implementation of the 20 recommendations. One of the 20 recommendations was that victims and their families should receive adequate counselling. I hold concerns about whether this has taken place. I am aware that one third of the victims of child abuse in Ireland live abroad in the UK. Many of these suffer higher than average levels of poor physical and mental health. The Government has provided funding for organisations to support these people but the funding is on an interim basis. There is a danger that long-term funding will not be provided. It is important to be mindful that simply because one third of the victims are out of sight, they are not forgotten and are not out of mind.

Senator Liam Twomey: Hear, hear.

Senator Dominic Hannigan: Will the Leader pass on these comments onto the Minister? Many people in the House will be aware of the plight of the victims of the gynaecologist, Michael Neary, at Our Lady of Lourdes Hospital in Drogheda. The Minister for Health and Children, Deputy Harney, set up a redress scheme for victims in April 2007. Despite representations from across the House, 35 women remain excluded from the scheme for the one reason that they were more than 40 years old when the terrible injuries were inflicted on them. Everyone is aware that this is poppycock. Everyone will know of women who have given birth after the age of 40. Only yesterday, a friend of mine, Maggie, gave birth to a baby girl at the age of 43 years. It is unfair to have an arbitrary age limit of 40 years. I suggest we call the Minister to the House and ask her to consider re-opening the scheme such that redress is given to all the victims of Michael Neary and that these 35 cases are dealt with such that we can bring this issue to conclusion.

Senator Mark Dearey: I join Senator Hannigan in asking the Leader to call the Minister to the House to deal in a forthright and final way with the redress that these 35 women deserve. They were savagely treated by Michael Neary. It is incumbent on us to address the issue, even at this late stage. I was in contact with one woman who was three days outside the deadline for the scheme and has been denied justice and redress. Many harrowing stories remain to be told from among the 35 women. This is not a view shared just by Senator Hannigan and me; it is shared across the House. Others, including Senators O'Reilly, O'Brien, Wilson, Glynn and Carroll, have offered cross-party support for the call for this debate to take place at the soonest possible opportunity such that we can, by one method or another, provide the redress in a non-adversarial way, either through an extension of the scheme or a process via the State Claims Agency. This is something with which we must deal as a matter of urgency. It was addressed in the Dáil on an all-party basis last week and I am satisfied the Seanad is mirroring that action in the Dáil last week, but, I hope, with a more constructive response from the Minister.

Senator Paudie Coffey: It is incumbent on the Government and anyone who has any power available to him or her to assist redundant workers in every possible way. It is rather concerning when the likes of Pfizer announces large-scale redundancies amounting to in excess of 800 people. These are high-end jobs in the pharmaceuticals area. The European globalisation fund is a €500 million fund available throughout Europe to assist workers made redundant owing to globalisation factors. I am aware from experience of the case of Waterford Crystal as well as of Dell and SR Technics that the Government response in seeking assistance from the fund leaves a good deal to be desired. It has been slow and has lacked co-ordination. The Department informs Members it is a complex process and, while I am sure it may be, that is no good to the redundant workers affected. They need assistance quickly. Another pharmaceutical company in Waterford, Teva Pharmaceuticals, will carry out 315 redundancies this year. While that company unfortunately does not reach the employee threshold of 500 required to qualify

[Senator Paudie Coffey.]

for assistance, there is nothing to stop the Government combing Teva with Pfizer or other pharmaceutical companies such that they get this assistance and workers receive the re-skilling and re-training required to get them back into the workplace.

I urge the Leader for an urgent debate on the European globalisation fund and all mechanisms available to assist redundant workers. I propose an amendment to the Order of Business to debate the issue as a matter of urgency today and I trust the Leader will accept it.

Senator Maria Corrigan: Will the Leader make arrangements for the Minister for Enterprise, Trade and Innovation to come to the Seanad as soon as possible to discuss the role of county enterprise boards in responding to closures such as that announced by Pfizer? The county enterprise boards have a statutory mandate to act as a task force in the event of such closures, but they are struggling in terms of resources.

Senators O'Toole and Hannigan raised the matter of the 116000 number for a missing children hotline. I have raised this issue on a number of occasions on the Order of Business and the Adjournment and the Minister has discussed it in the House. ComReg has informed me that although the number has been allocated, it is not in use. I have asked it to provide details of the criteria used in taking back a number that is not being used, although it has been tendered. This is the first anniversary of the publication of the Ryan report and more than 400 children are missing from the care of the HSE. Given all of this, we should examine the role of the Oireachtas in addressing this issue and the reports which are placed before us such as the Ryan and Murphy reports.

I have asked the Government to establish a joint committee on the protection of children and vulnerable adults. This would provide a clear focus and be a forum in which to consider all policy and legislation. Yesterday, in his response to the report of the Ombudsman for Children, the Minister of State indicated that he was open to such a consideration. I ask the Leader to convey my request to the Government as a matter of urgency.

I am struck by a tragic story in today's newspapers regarding a woman who took her life on a railway track, following a cut in her social welfare payment and owing to pressures in the payment of mortgage arrears. Life is precious and nothing makes it worth losing one's life. It is important that we send a message that everything passes. These times will pass. If one is under pressure, whether emotional or financial, one should pick up the telephone and talk to someone.

Senator David Norris: Many years ago I was involved in having references to sexual orientation and membership of the Traveller community included in legislation, particularly the Incitement to Hatred Bill. In that context, I raise a worrying matter, about which I ask the Leader to talk to the Minister for Justice, Equality and Law Reform. Recently a Facebook page entitled, "setting aside Monday afternoons to hunt knackers", was created, to which, I am sorry to say, a large number of Irish people have signed up. It includes the following comments. One contributor, a Mr. O'Keeffe, said, "I was in contact with the association of killing knackers and they said that if it got enough support they would try to organise an Abbeyfeale hunt, whereby for one week Abbeyfeale knackers would be, more or less, a free for all. Abbeyfeale knackers are common, though, and not worth much." That met with this response from a Mr. O'Sullivan, "Worth much? No knacker is worth anything, Dan. That is why they must be flushed out like rats." I understand this website which has been up for more than one month is in the process of being taken down, which I welcome. However, there is another one, which is "Pádraig Nally, Ireland's greatest legend". Some of the language used on the site is rather unfortunate, but it is appropriate that people should know about it. One person asks, "What

do you do when you see a smelly knacker running at you with half a head?" The answer is, "Stop laughing, reload and shoot," which received the reply, "Fuck tinkers." That is not appropriate and I hope this will be taken down. It is worrying that there seems to be a wave. There is an office circular being circulated with pictures of some very beautiful young women in elaborate dresses attending weddings in the Travelling community. Those who receive the circular are invited to substitute the face of someone in their office who has recently got married for one of the faces in the pictures. I deplore this and some action should be taken against it.

I agree with Senator Twomey on the worrying situation of a man with 75 convictions who while out on bail assisted in the murder of two perfectly decent young Polish men. I also support Senator O'Toole in his remarks about the helpline for people with missing children. I raised this matter on the Adjournment some time ago and was recently contacted by the man who had brought it to my attention and whose sister had gone missing. I was told there were some bureaucratic difficulties, but I understand these are now in the process of being overcome. It is very important to support such families and that the State support the helpline.

Senator Jerry Buttimer: One year on from the publication of the Ryan report it is important that we revisit the issue and have a full debate on what we have learned since its publication, the new structures which have been put in place, where are we in the protection of children and whether they are better protected since the publication of the report. Its dreadful narrative has been publicised, but we need to move beyond this. The next phase must be the establishment of new structures and implementation of an amendment on children's rights. I note what Senator Corrigan said. It is a disgrace that 400 children are missing from the care of the HSE. The Minister of State, Deputy Barry Andrews, and the Government have been slow in their response to the Ryan report and on the protection of children.

I second Senator Coffey's amendment to the Order of Business and thank the Chathaoirleach for allowing the matter of the job losses at Pfizer to be raised on the Adjournment. It is important that we look at the issues of employment and unemployment and debate a jobs plan for Ireland because the Government does not seem to have one. Almost 13% of the population are unemployed. That amounts to 430,000 of our fellow citizens who have been left without work, an income and hope. The Government just seems to be drifting along. I look forward to a debate on the issue.

Senator Camillus Glynn: I strongly support Senators Hannigan and Dearey who spoke about the redress scheme for the victims of Dr. Michael Neary. Some years ago, when I was a member of the Joint Committee on Health and Children, Patient Focus addressed it on the atrocities which had been committed by this individual. What it had to say would be material for a horror film. It is nonsense that women over 40 years of age are excluded from the scheme. My mother was 43 years old when I was born and I know many others like me. This exclusion is nonsense. Without question, the women concerned should be included. They should never have been excluded from the scheme.

While the Minister is in the House, we might have a short debate on restoring responsibility for the issuing of medical cards to local health centre managers. The current system is not working and people are very frustrated. Public representatives are finding it increasingly difficult to achieve satisfaction for their constituents. What is happening is an absolute scandal. I am sure the Minister will come to the House because she is very generous with her time. When she does come, I ask that both of these matters be debated. They are very serious and I ask the Leader to give them due consideration.

Senator Mark Daly: This week we will see the publication of a €24 million Interphone study of the potential health effects of mobile phones. I ask the Leader to bring the Minister for

[Senator Mark Daly.]

Communications, Energy and Natural Resources to the House to discuss the matter. Data for the study stopped being collected in 2004 and six years have been spent arguing about what should and should not be included in the report. What is not included is a reference to the potential health effects of mobile phones on children.

The European Environmental Agency has stated, with regard to the effects of any item on the health of the general public, that we should always err on the side of caution and implement the precautionary principle. It took 54 years to prove that smoking caused lung cancer. We cannot afford to wait that long for science to prove beyond all reasonable doubt that mobile phones cause brain tumours. The European Union is conducting a study of this matter, but there have been more than 2,000 studies of mobile phone masts and their potential health effects. The time for study is over; action must begin. I, therefore, ask the Leader to organise a debate on the issue.

Senator Shane Ross: Yesterday I raised the issue of CIE on the Order of Business and I am grateful for the support I received from several Members of the House. However, I do not think much will happen, unless we act on the matter. I ask the Leader to consider introducing a Bill to make semi-State bodies subject to the Freedom of Information Act.

It is very important that we realise semi-State bodies are not answering questions asked of them by Members of the Oireachtas. With a view to introducing legislation, I asked my office to ask semi-State bodies and agencies a very simple question, namely, the amount they were spending on external public relations. The answer from CIE was the same as the one it always gives: "Mind your own business, it has nothing to do with you."

11 o'clock

However, it was not the only semi-State body to give that answer. I do not know why it needs to spend anything on external public relations because it has internal public relations spinners by the dozen. However, it is unacceptable that such questions asked by Members of the Oireachtas are not answered. State money is at stake and a huge amount is being wasted on public relations spinners who are spinning stories of doubtful truth about the success of the organisations in question. I would like the Leader to consider this issue, reply and invite to the House the appropriate Minister in order that we would be able to compel semi-State bodies to be subject to the Freedom of Information Act. They can plead information is commercially sensitive, as can State agencies and others, and other exits that I accept are necessary, but it is unacceptable that such organisations are allowed to refuse to answer questions asked by Members of the Oireachtas about the expenditure of public money. There is an awful lot going on within CIE and other organisations, about which we do not know anything. Many organisations have a huge amount to hide. I do not want to be an accessory to this; neither does the Government which appoints the members of the boards of the bodies which are ducking the questions posed by Members of the Oireachtas.

Senator Ivor Callely: There are a number of groups in society for which I have a healthy respect and regard, especially carers, that great army of people who do tremendous work in our communities 24 hours a day, 365 days a year. I am aware the Leader has agreed to have a debate on the issue. Will he indicate when it will take place? If not, will he at least indicate the week in which he might be able to accommodate it?

Another group for which I have great respect and regard is older people. I salute and pay tribute to them for the full contribution they have made to society. Owing to the remarks made by the Minister for Social Protection, Deputy Ó Cuív, they are very concerned about their pensions. My personal philosophy is based on the protection of older people and my message to the Minister is that the Government should take its hands off payments to pensioners. It

would be interesting to hear the views of Members of this House and pass an agreed motion or resolution. Therefore, I ask the Leader to accommodate a debate on older people.

Senator Paschal Donohoe: I want to raise a matter I have raised previously with the Leader, namely, the progress made on the report of the innovation task force that was launched by the Government some months ago. It is a fine piece of work and was produced by people with real expertise and a passion for the smart economy. The Government is telling us it will be instrumental in creating over 100,000 jobs. The reason I raise the matter this week is that in recent days the implementation group for the task force has been set up. Having looked at its membership, it appears that there is only one person who was involved in the starting of one of the smart companies we are all so committed to creating. All of the others in the group are people working with large companies, Government agencies and universities. If we are to kindle an entrepreneurial spirit in the smart economy, we should surely have representatives who have actually demonstrated such spirit. Their absence in any great number from the group makes me concerned that the report will stay on a shelf somewhere in a Department, with many other reports.

On the call for a debate on the European globalisation fund made by some of my colleagues, we are about to start a debate in Ireland and across Europe on the difference between economic governance and economic government from a European perspective. When starting that debate, we would do well to remember the presence of funds such as the European globalisation fund and the great contribution they are making to countries such as our own.

Senator Larry Butler: I congratulate the Minister for Finance for the Government's very successful issuing of bonds. Bonds amounting to €13.5 billion have been taken up very quickly, which I am delighted to see. Bonds amounting to approximately €6.5 billion are to be sold. It is good news for the country and we are getting reasonable rates when one considers the bail-out of Greece. We are only 0.2% up on the figure last January, a considerable achievement.

I welcome the fact that EirGrid is creating 200 new jobs. This is very much to be welcomed this week. I ask the Leader to invite the Minister to the House to consider the 750 jobs in jeopardy at Pfizer. One of its plants, the one in Dún Laoghaire, cost €280 million. A task force should be set up to consider the issue of job creation. We have an 18-month window of opportunity before the jobs are lost. Perhaps a debate in the House would be helpful. We could ask the Minister for Social Protection how he will tackle the problem and the nature of the task force he will put in place in that regard. It is important that we avail of the opportunity provided. The Minister will certainly tackle the problem.

Senator Quinn introduced a very important Bill in the House last night.

Senator Donie Cassidy: Hear, hear.

Senator Larry Butler: It is a step that should have been taken a long time ago. Senator Quinn seems to make a difference on the other side of the House. He must have been pleased by the announcement of the European Commission that co-operation between member states on organ transplantation is to be made mandatory.

Senator Feargal Quinn: I thank Senator Butler for his remarks.

I never heard of renewable energy feed-in tariffs until recently. I am not normally sympathetic to the IFA and farmers' lobby groups calling for something, but they issued a press release recently, about which I would like the Minister for Communications, Energy and Natural Resources to be reminded. It refers to the growing of willow. Three hundred farmers around the country are growing it and there are 200 or 300 jobs — perhaps they are seasonal jobs —

[Senator Feargal Quinn.]

dependent on their doing so. The farmers in question were promised by the Minister that the renewable energy feed-in tariff would be introduced in January. The commitment was made three years ago, but it has not been followed through. It is important that it be honoured.

Another reason this issue is important is that we have set a target stipulating that 25,000 hectares should be planted with renewable energy crops by 2020, yet only 4,000 hectares have been planted at this stage. It is interesting that a Minister with a background such as that of the Minister for Communications, Energy and Natural Resources has not confirmed his commitment in this regard. If we are to achieve our target, we must achieve a great deal more than we are achieving. I, therefore, ask the Leader to draw to the Minister's attention the opportunity to create jobs and reach our 2020 target. We are committed to reducing the amount of peat we use and must do so in the form I have described. There is money available to achieve this, but it has not been made available by the Minister to those who are calling for it.

Senator Labhrás Ó Murchú: I commend Senator Corrigan for her sensitive and compassionate comments on the death of a woman who succumbed to the pressures and stresses of economic deprivation. It behoves society in general and us, as legislators, to engage more in these difficult times, as we are all well aware of the hopelessness many people feel. It is unprecedented in the history of the State. We have had great difficulties in the past, but we are moving from affluent times to a time in which people do not see a future, particularly young couples with children. It is necessary for us, therefore, to endeavour to give them hope but not in a false way. We have to be realistic and, at the same time, send a positive message to people. There are agencies on the ground, but more is needed. The current climate is not helping and we all have a role in addressing this. Every finger should not be pointed in the direction of the Houses of the Oireachtas. Throughout society we must all look to work together and that includes the media and other organisations and agencies. I can only imagine how lonely, helpless and isolated the young woman concerned must have felt that she found it necessary to take her own life. There must be many more like her. However, as Senator Corrigan said, life is precious and we must ensure no other person in the State will be driven to do what that young woman did. Like others, I express my sympathy to her family and friends because they must also be devastated.

Senator Nicky McFadden: This week I witnessed the modern day eviction of 25 elderly residents from Loughloe House in Athlone, County Westmeath, a matter I have raised on the Adjournment to no satisfaction. Today or tomorrow the Health Information and Quality Authority will publish its report, behind which the HSE is hiding and which it is using to close this nursing home. We are witnessing the steady, slow suffocation of the general hospital in Mullingar; the closure of beds in St. Mary's Hospital, even though the sod was supposed to be turned for a unit with 200 beds, and the transfer of post mortem facilities to Tullamore hospital. We will probably also witness the HSE running down or closing our accident and emergency department and its reason will be it cannot recruit non-consultant doctors. The hospital in Mullingar is the best in the country. More than 3,000 babies are delivered there annually, while 92,000 people have X-rays and scans every year. It is the mainstay of the health service in Longford-Westmeath, yet the HSE is gradually demoralising the staff and taking the good out of the hospital. I understand the Leader has scheduled a debate and that the Minister for Health and Children is coming to the House. However, will he ask her to have answers for us before she attends the House next week about health services in Longford-Westmeath?

Senator James Carroll: I support colleagues who raised the issue of the redress scheme for Dr. Neary's victims. A number of Members have raised the issue in both Houses. With Oireachtas colleagues in the north-east region, I have met victims who are excluded owing to

the current parameters of the redress scheme. It is such a unique and heart rending case in many respects that I hope the Leader will take on board the request for statements on the matter because the Minister for Health and Children should address the issue in the House. It is most unfair and arbitrary to make a date of birth the barrier to access the scheme. As previous speakers said, deliberately leaving some women out will make them feel even worse and this doubles the harshness of the unfair treatment they received at the hands of the health service, an arm of the State. It behoves the Members of both Houses to put in place a structure to accommodate the women concerned and their families and gives them an opportunity to address the stress and suffering they have endured throughout their lives. I urge the Leader to take on board our concerns. I thank colleagues for raising the issue here today and in the Dáil last week.

Senator Rónán Mullen: Like many Members, I am fan of the notion that coverage of major sports fixtures, including rugby games, should be available free to air. We all recognise the force for social cohesion that is sport. The achievements of our teams in rugby in recent years have provided happy news at a time when we have been badly in need of it. However, I also take seriously the IRFU's claims that if it was to suffer a shortfall in revenue of approximately €10 million, it would not be able to retain top class players in this country. The Government is inclined to cast doubt on this. If it does not believe the shortfall will be that great, it should state, in valuing the cultural potential of broadcasting such fixtures free to air, funding will be provided. Despite our straitened economic circumstances, we should recognise there would be a value to this. I would not like to see top class players leaving the country.

It is often said Irish society was authoritarian in that past, which is true, but sometimes our politics can be authoritarian. When one criticises the Government parties or points to a flaw in their logic, they respond by attacking the messenger. In an interesting debate on child protection yesterday, I was accused by the Minister of State with responsibility for children and youth affairs of uttering dangerous nonsense when all I did was question the disconnect between people feeling understandably outraged about past failures within the church to report abuse cases to the Garda and the Government still failing to grasp the nettle of mandatory reporting.

An Cathaoirleach: Does the Senator want a further debate on the matter? We had a debate on it yesterday.

Senator Rónán Mullen: I would like a debate on the specific issue of mandatory reporting because such a debate is needed. I did not hear a logical argument from the Minister of State yesterday; instead I heard invective when his logic was challenged. We need to ask whether mandatory reporting could be part of the solution to our problem. Where a person knows a criminal act has taken place or is likely to take place, he or she ought to alert the civil authorities; that should not only be subject to guidelines.

Senator Larry Butler: The Minister of State gave the answer, but the Senator was not in the Chamber.

An Cathaoirleach: No interruptions, please.

Senator Niall Ó Brocháin: I refer to the powerful contribution of Senator Ó Murchú and his use of the word "hope", which is important. The word is commonly used by the US President, Barack Obama, who wrote a book entitled, *The Audacity of Hope*. I am a great believer in consensus politics to lead the country and enable Members of both Houses to work together for its betterment. We often have tit for tat exchanges, with Members on the other side of the House giving out to Members on this side who stand their ground and so on. There is a strong

[Senator Niall Ó Brolcháin.]

case to be made for us to show leadership. When I entered the House, I said I felt a heavy hand of responsibility on my shoulder and that applies to every Senator. Sometimes, with others, I forget this. It is important that the Oireachtas show leadership on the way forward. A debate on the provision of hope would be a good one. It would also be an unusual one. I do not know how it would be framed or under which Department it would come, but it is important that we spread hope in every debate in the House.

I congratulate Senator Quinn for his comments regarding renewable energy and so on. This could be a source of great hope for the country and an area in which we could do well in future. Finally, I believe the debate on rugby that is being called for is important, but this needs to be balanced against the idea that Rupert Murdoch can take control of rugby in this country and community needs, particular as regards young children who could be forced to go to pubs to see the things we took for granted as young people, that is, the great rugby players of this country playing international matches on our television screens at home. I do not believe it would be good if people were forced to go to pubs to see matches. There is a need to balance this debate and I hope there is an outcome that will satisfy all parties. Indeed, there is a consultation phase going on at the moment in relation to this.

Senator John Hanafin: I apologise that I was not present when the Cathaoirleach called me earlier. I had gone to collect notes for the euro debate.

I ask the Leader for a debate on ways and methods that we in this House could promote holidays at home, in particular by giving example. There are a number of reasons for holidaying at home, the main one being to support home industry. There will be some wonderful opportunities, with children going free and other advantages for people who decide to holiday in Ireland. This is something we could usefully address to see what way the Seanad might promote Irish tourism.

Senator Frances Fitzgerald: As we know today is the anniversary of the publication of the Ryan report. We then had a report from the Minister which was called an implementation report. It is extremely important that we have a debate in this House on the implementation report so we may monitor and discuss what has happened to those recommendations.

We were all truly horrified by the contents of the Ryan report, and it is really important for us to examine what action has been taken by Government since then. We know there have been cutbacks to frontline services, and many survivors are on waiting lists for treatment, counselling and support. I ask the Leader to have a debate on this in the House at the earliest opportunity and to look at the importance of the action that has been taken, as Senator Corrigan indicated, by the Government in relation to the recommendations made.

Senator Donie Cassidy: Senators Twomey, O'Toole and Hannigan called for a debate on crime. This is timely, and I have no difficulty in having this debate at the earliest possible date, and for whatever time is required.

Senators Corrigan, Ó Murchú and Ó Brolcháin indicated their disappointment and shock as regards the poor woman who lost her life in these very difficult times. The Senators expressed the view that hope must be encouraged and said we must all see how we can help and assist anyone facing unprecedented experiences, to say the least.

Senators O'Toole, Corrigan, Norris, Buttimer and Fitzgerald referred to the first anniversary of the Ryan report and the hotline number, 116000, for missing children. There can be no excuse as regards why that is not available and I certainly will look into it after the Order of Business to see what the up to date position is in that regard. It can be of enormous help to

parents, in particular, who feel so helpless when they discover one of their loved ones is missing. As was said, more than 400 children under the stewardship of the HSE are missing, and there is no shortage of material for a very serious debate in this regard. I will endeavour to have the Minister present in the House for this at the earliest possible date.

Senator O'Toole, in relation to betting tax, said we must protect small Irish bookmakers, and I shall certainly pass on his strong views to the Minister.

Senator Hannigan, too, referred to the Ryan report and the eight organisations that are meeting in Dublin today to review the up to date position, as Senator Fitzgerald mentioned. I wish them well in their deliberations. If there is anything we can do as regards further debates on this in the House, I will have no difficulty in allowing time.

Senators Hannigan, Dearey, Glynn and Carroll raised the matter of Dr. Michael Neary and the 35 women who were not included. I would like to think this might be addressed as a matter of urgency. As was said, Members of the House are united in our call for the plight of these women to be looked at and for them to be included.

Senator Dominic Hannigan: On a point of information for the Leader, Michael Neary is no longer a doctor.

Senator Donie Cassidy: All right, I shall refer to him as the former doctor, then.

Senators Coffey and Donohoe referred to the European Globalisation Fund and redundant workers, as regards the opportunity to have them reskilled and retrained and said every effort should be made in this regard. I understand the Minister for Enterprise, Trade and Innovation will be coming to the House to continue the debate on jobs, quite possibly next week, and we can progress that proposal when he is here. Also, Senator Corrigan called for the Minister to come to the House. I understand he will be in the House next week.

Senator Norris raised the matter of websites. No one can condone these and I hope they will be withdrawn immediately.

Senator Glynn called for the Minister for Health and Children to address the issue as regards the medical system not working at present. I fully support my colleague in this regard. This is a serious situation where he is not even getting answers to telephone calls. It is unacceptable and unsustainable. The Minister will be in the House on 3 June and we can put this point to her in that regard.

Senator Mark Daly spoke about the €24 million that has been spent on a mobile phone study into the effects on health and the enormous difficulties, potentially, as he outlined. I visited the University of Waterloo a few years ago, where massive research was being conducted. For those Senators who do not know it, this is the university where the BlackBerry technology was invented and created. It is one of the most successful in the world at present. In any event, massive research was being conducted there at the time on behalf of Vodafone into the effects of mobile phones, as outlined by the Senator. I have no difficulty in having a debate on that and it will be included in the list.

Senator Ross asked that the House consider a Bill for semi-State bodies and State agencies to be subject to the freedom of information legislation. I can only await the Bill coming before the House and this is a matter for Government, which must make a decision on that also.

Senator Callely raised the issue of carers and asked for a debate in this regard. I have already said this will take place when the Minister is present on the Wednesday after next. In the event, perhaps many of these issues may be brought to her attention, including that of older people, as Senator Callely has said. As regards pensions that is a matter for budgetary consideration in seven months' time. It is a matter for the Government while we respect and appreciate

[Senator Donie Cassidy.]

everything our senior citizens have ever done. We certainly fully support them in every way we can.

Senator Donohoe talked about the innovation task force and the implementation of the group's recommendations. As outlined to the House he would like to see one or two other sectors, or perhaps more. Anyone that can make a contribution should be included and this is one of the great planks through which the Government is attempting to fight the global downturn. I look forward to the report being published and I guarantee it will be discussed and debated in the House.

Senator Butler congratulated the Minister for Finance in relation to the bond issue and also welcomed the 200 new jobs at EirGrid. He called for the taskforce to be put in place now that there is an 18-month window of opportunity as regards the Pfizer job reductions. I remind the House that some 4,250 people will still be employed by Pfizer when the rationalisation takes place. Senator Butler also congratulated Senator Quinn, who introduced his Second Stage Bill last night in relation to the difficulties being experienced by subcontractors. These are horrific stories and I am pleased the Minister agreed to proceed within a five-month timeframe to introduce the necessary amendments to strengthen Senator Quinn's Bill. I know the Senator is working closely with the Minister in this regard and I too congratulate him on his foresight in bring this Bill before the House.

Senators Quinn and Ó Brolcháin spoke about job opportunities in the agricultural sector, such as the production of biomass for renewable energy. In view of our carbon reduction targets for 2020, this is a worthwhile subject for discussion and I have no difficulty in allowing such a debate to take place.

Senator McFadden spoke about the 25 residents who were moved in Athlone. I agree with her about what a traumatic experience this must have been, but I disagree with her comments about Mullingar hospital. I call on everyone to stop talking down Mullingar hospital. The Midland Regional Hospital, Mullingar is the only hospital from Dublin to Sligo——

Senator Nicky McFadden: The Leader should listen to the staff.

An Cathaoirleach: No interruptions.

Senator Donie Cassidy: I did not interrupt the Senator.

Senator Nicky McFadden: That is what the staff are saying. What the staff are saying is the reality.

Senator Donie Cassidy: I understand, but the facts of the case are that 777 people are employed in Mullingar hospital, and I played a major part in obtaining the €21 million for the new hospital building. In 2006 there were 2,000 births at the hospital. This number has now increased to 3,000. It is a two-county hospital serving Longford and Westmeath. Anyone who thinks Mullingar hospital will not continue to increase its services is mistaken. I hope we will see a year in which there are 5,000 births in the hospital. As Senator McFadden correctly stated, 92,000 patients were attended to in that hospital last year. The Minister is coming to the hospital on 21 June and we will have an opportunity then for clarification. The Minister said in Seanad Éireann, not once but twice, that she would reward the hospitals——

Senator Nicky McFadden: She has not done so.

Senator Donie Cassidy: I ask the Senator not to interrupt. This is a bad habit the Senator has picked up from other colleagues in Fine Gael. She was never like this on the council, nor was her dad before her, who is a gentleman.

An Cathaoirleach: Can we go back to the Order of Business?

Senator Nicky McFadden: The Leader is provoking me.

An Cathaoirleach: I will look after order in the House. It is wrong for any Senator to talk down to another Senator across the floor, whether it is the Leader or any other Member. We will have a reply to the Order of Business and that is it. There will be no more interruptions while the Leader is replying.

Senator Donie Cassidy: We can all ask the Minister the relevant questions when she is in Mullingar on 21 June. I look forward to hearing her responses to the concerns expressed by the Senator.

Senator Mullen called for a debate on mandatory reporting. I will consider this. Senator John Hanafin asked for the up-to-date position on tourism and called for the promotion of holidays at home this summer. I support this and look forward to hearing the Minister's update on the tourism sector when she comes to the House.

An Cathaoirleach: Senator Coffey has proposed an amendment to the Order of Business: "That a debate on the European globalisation adjustment fund and the assistance available to redundant workers be taken today." Is the amendment being pressed?

Senator Niall Ó Brocháin: He is not here.

An Cathaoirleach: Is it being pressed?

Senator Liam Twomey: Yes.

Amendment put and declared lost.

Order of Business agreed to.

Euro Area Loan Facility Bill 2010: Second Stage

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

Minister for Defence (Deputy Tony Killeen): I am pleased to be in the Seanad today to introduce the Euro Area Loan Facility Bill. We are introducing this legislation to enable Ireland to play its part, along with all other euro area countries, in providing financial support to Greece. Our assistance, in the form of repayable loans, will be centrally channelled through the European Commission as part of an agreed euro area package in conjunction with the International Monetary Fund. It is important to make it abundantly clear that this assistance comes with strong conditions attached.

The multilateral loan facility represents only part of a package of decisive measures designed to restore financial market confidence and project a resolute signal that governments will take all the necessary measures to protect the integrity of both the euro area economy and the euro currency. As my colleague, the Minister for Finance, Deputy Lenihan, reiterated in the Dáil the other day, this support is designed to safeguard the fundamental financial stability of the single currency area. I feel we will all agree that this is an essential prerequisite to securing our

[Deputy Tony Killeen.]

economic recovery. In common with other euro area member states, we in Ireland can be relied upon to show meaningful solidarity with our partners in these turbulent times.

The current situation arises because our Greek partners can no longer access borrowing at sustainable rates on the international bond markets. The authorities there have requested support from other euro area member states and the IMF. In response to the ongoing difficulties of the Greek authorities, the Heads of State and Government of the euro area made commitments in February and March of this year reaffirming their willingness to take determined and co-ordinated action, if needed, to safeguard financial stability in the euro area as a whole. On foot of these commitments, the euro area finance ministers agreed on 11 April the terms of financial support to be given to Greece. This was to be implemented through bilateral loans centrally pooled by the European Commission as part of an agreed euro area package, with co-financing to come from the IMF.

On 14 April the Government approved Ireland's participation in the Greek financial support programme and agreed to the preparation of the necessary legislation to permit the provision of assistance. On 23 April 2010, Greece formally applied for the activation of the euro area support mechanism. At their subsequent meeting on 2 May 2010, euro group ministers agreed with the assessment of the European Commission and the European Central Bank that Greece's ability to access funding on bond markets was insufficient and that the provision of a loan to safeguard the financial stability of the euro area was warranted. The euro group ministers unanimously agreed to activate stability support to Greece through bilateral loans to be centrally pooled by the European Commission. This will comprise an overall aid package of €110 billion over a three-year period, of which €30 billion will be funded by the IMF. This financial support will mean Greece will not need to rely upon the sovereign debt markets for a period of time and can securely access funding.

The Government has approved ratification of the agreement, which will enable Ireland's participation along with other euro area states in providing this assistance, and has now introduced the draft enabling legislation we are discussing. On 7 May, the Taoiseach attended a meeting of the Heads of State and Government of the euro area at which the loan facility for Greece was endorsed. The Taoiseach confirmed Ireland's participation in this joint loan facility subject to enactment of our legislation. At the same time the Minister for Finance signed the inter-creditor agreement which will govern our contribution to the euro area response. All these steps are subject to the enactment of our domestic legislation.

On 8 May, the European Commission signed on behalf of euro area member states the loan facility agreement setting out the key terms and conditions of the agreement with Greece. While the first disbursement under this facility is imminent, Ireland will contribute to later tranches once we are in a position to do so. Obviously, that can only happen once all our national procedures are completed. Today is a key part of this process.

The Bill we are discussing will provide a legislative basis for Ireland's contribution to the agreed euro area financial support for Greece. In summary, the main proposals contained in the Euro Area Loan Facility Bill are intended to provide for Ireland's participation in the euro area loan facility to Greece, subject to the terms of the loan documentation, payments to be made from the Central Fund in respect of Ireland's share of the euro area funding, with such payments to be based on our paid ECB capital key of 1.64% and subject to an overall limit of €1.5 billion, the receipt into the Exchequer of interest payments and repayment of principal amounts of the loan funding and any related receipts, and the laying before Dáil Éireann of annual reports on expenditure and receipts to Ireland under the loan facility.

In legislative terms, this is a relatively clear-cut Bill containing six sections. Section 1 provides detail on the definitions of the various technical terms contained within the Bill, section 2 provides for payments from the Central Fund subject to the terms of the inter-creditor and loan facility agreements which are appended in Schedules 1 and 2 to the Bill, section 3 provides for the crediting of the Exchequer with moneys received on behalf of the State in connection with the loan facility, section 4 provides for annual reports on payments made and received to be laid before Dáil Éireann, and sections 5 and 6 cover, respectively, expenses incurred in the administration of the Act and its Short Title.

I will explain the agreements and the related memorandum of understanding, the latter of which, while not part of this Bill, was placed in the Oireachtas Library on 17 May. Schedule 1 is the Inter-Creditor Agreement which the Minister, Deputy Brian Lenihan, signed on behalf of the State on 7 May. It provides that the European Commission will act on behalf of the euro area member states in the management and administration of the pooled bilateral loans for Greece, with the ECB acting as paying agent. It comes into effect once the European Commission receives a commitment confirmation from a critical mass of at least five member states and two thirds of the total commitment amount.

Schedule 2 of the loan facility agreement between the euro area member states and Greece sets out all of the key details relating to the terms and conditions of the loan. The European Commission has been entrusted by the member states to coordinate and manage the pooled bilateral loans to Greece.

The memorandum of understanding sets out the policy considerations required of Greece. As I have already said, it has been laid before the House.

Briefly, the MoU contains three elements: first, the memorandum of understanding on specific economic policy conditionality specifies detailed economic policy measures that will serve as benchmarks for assessing policy performance in the context of the quarterly reviews under the assistance programme; second, the memorandum of economic and financial policies outlines the economic and financial policies that the Greek Government and the Bank of Greece will implement during the remainder of 2010 and in the period 2011 to 2014 to strengthen market confidence in Greece's fiscal and financial position; and third, the technical memorandum of understanding sets out the definitions surrounding the performance criteria and various target indicators. It also describes the methods to be used in assessing programme performance and the various information requirements to ensure adequate monitoring of the targets.

Ongoing compliance by Greece with the terms of the MoU will be a centrepiece for the draw-down of disbursement of the loan facility.

I turn to the conditions being placed on the Greek authorities as part of this programme. Since the beginning of the year, the Greek Government has shown its determination to address its fiscal challenges. The Greek Prime Minister has reiterated the total commitment of his Government to the full implementation of these vital reforms.

I wish to outline briefly to Senators the measures our Greek partners have to implement. As part of the proposed support package and loan agreements Greece has entered into stringent commitments to undertake fiscal consolidation measures, implement structural reforms and apply financial stability measures. The cornerstone of the Greek authorities' programme will be budget cuts aimed at reducing the deficit to below 3% of GDP by 2014. In cash terms this represents public spending cuts of €30 billion over this budgetary horizon. Moreover, in order to reduce their debt-to-GDP ratio, Greece will have to maintain a primary surplus on their budget of at least 5% for the next decade.

Greece will be the subject of continuous appraisal by the European Commission, the International Monetary Fund, IMF, and the European Central Bank, ECB, to measure its progress

[Deputy Tony Killeen.]

towards achieving these obligations and this will form part condition of further loan disbursements. We must be clear that there are no easy shortcuts in the context of restoring sustainability to the exchequer finances, either here or elsewhere among our EU partners.

The Bill will entail a large financial commitment in the form of repayable loans to Greece. It is important to provide reassurance to Senators that our financial support package will be repaid as the economic position in Greece improves. It is also important to note that central to the overall support package is the commitment that member states' funding costs are to be met in full. In summary, we will not be financially disadvantaged by these arrangements. Furthermore, while our debt level will rise as a result of this extra borrowing, the financial assistance we provide will not impact upon our general Government deficit, as it is classified as a financial transaction.

A further safeguard underpinning the entire process is that, if any euro area member state should encounter higher funding costs than those charged to Greece, there are provisions for these additional funding costs to be recouped.

We have reassurance from EU level on these important elements of the financial support programme. Commissioner Rehn has stated that there will be no loss to eurozone taxpayers throughout the process from the provision of this loan facility. In addition, from a budgetary perspective, these arrangements will be taken into account by the Commission in its fiscal surveillance procedures.

Based on the euro area contribution of €80 billion, Ireland's share of the contribution, which is based on the ECB paid capital, will be just less than 1.64%. Payments will be made on a phased basis and, as such, there is a likelihood that there might be some front-loading of our overall contribution. In overall terms our contribution to the euro area loan facility is anticipated to be about €1.3 billion. However, in order to allow scope for internal rebalancing within the loan facility, the text of the Bill provides for a precautionary upper limit of up to €1.5 billion.

The overall financial support agreement allows for a loan facility to Greece for the next three years while the component loans cannot exceed a term of five years. When all the funds have been paid back to the participating member states the mechanism will cease to exist.

I now want to mention the decision of the ECOFIN Ministers to establish a European financial stabilisation mechanism, based on Article 122.2 of the Treaty, and ratification of an inter-governmental agreement. This is being set up to support financially member states in difficulties caused by exceptional circumstances beyond their control such as those being experienced by Greece. It is likely that this, too, will also require domestic enabling legislation.

As Senators will be aware, this mechanism was devised in the context of a perceived background risk of contagion from Greece to other member states and can be rapidly mobilised as necessary. The activation of these moneys will be subject to strong conditionality. Already €60 billion has been made available from the EU budget. Supplementing this, members of the euro area have agreed to stand ready to complement these EU resources with an additional €440 billion, in conjunction with further financing by the IMF. The IMF will make available further funding in the region of €220 to €250 billion. This euro area and IMF support will be channelled through a special purpose vehicle to be set up shortly.

Experts mandated by the Eurogroup Working Group have started the preparatory work for setting up the facility as a matter of the highest priority and are evaluating the best technical options for the set-up of such facility within a short delay. Member states are in the process of preparing the necessary legal arrangements for their participation to the SPV.

This vehicle will make loans/provide credit lines to cover financing needs of member states in difficulty. It will be funded through bond issuances on the market, under the guarantee of participating euro-area member states, in accordance with their ECB capital participation key. Loans will be provided on terms and conditions similar to those of the IMF.

The governance arrangements of the European financial stabilisation mechanism, in particular relating to a possible activation of support, will be similar to those of the Greek case. The Commission will play a coordinating role in the set up of the mechanism and in the definition and monitoring of programme conditionality.

I want to also outline other measures being considered at European level. At their meeting on 9 May, ECOFIN Ministers also reiterated their commitment to ensure fiscal sustainability and enhanced economic growth in all member states. It was agreed that, where warranted, plans for fiscal consolidation and structural reforms will be accelerated across the full eurozone.

To advance this objective, last week the European Commission brought forward various reform proposals to reinforce economic coordination, including ones to ensure the budgetary policies of member states do not undermine the economic and financial stability of the euro area. These will form the basis for further discussion in conjunction with the task force, which is being chaired by EU President Van Rompuy. The first meeting of this task force will be on Friday, 21 May and the Minister, Deputy Brian Lenihan, has indicated he will attend.

We must be clear, however, that these proposals mark the beginning of discussions on these issues. It does not mean, as some have suggested, any loss of Irish sovereignty but is designed to assist the member states be better prepared for any future economic crises. Like most Commission documents, it is designed to float ideas and stimulate debate. Any policy proposals arising from it will have to be ultimately agreed by the member states.

Other initiatives decided upon by the Council relate to regulatory and supervisory reform of financial markets, including the derivative markets, and examining the role of ratings agencies. Work is continuing on other proposals including the possible introduction of a stability fee which will ensure the financial sector will in future pay its share in the event of another financial sector crisis.

Before concluding I wish to comment on our own economic prospects. It is appropriate to do so in the context of the commitment in this Bill to borrow an additional €1.3 billion having regard to the economic difficulties we are currently facing.

In Ireland we are only too well aware of the enormous challenges a small economy can face during difficult and turbulent economic times. However, there are welcome indications that we are beginning to turn the corner gradually. There is mounting evidence that economic conditions are stabilising. Recent economic data and a range of other indicators support this perspective. Consumer sentiment is strengthening and we see clear evidence of increased activity in the motor trade and retail sales sectors. Government policy measures in the last budget have helped restore confidence. In addition, industrial production data and other leading business indicators are also showing signs of improvement. In summary, the official view, as set out in last December's budget, that the economy would bottom out by mid-year and that positive growth would resume in the second half of this year, is being borne out. Most economic commentators now share this perspective. In fact, some are even more optimistic than that.

There are a number of key elements which underpin the Government's approach to addressing our economic challenges, namely, the restoration of stability to the public finances, the repair of the banking system and regaining our economic competitiveness. It goes without saying that all of these are inextricably linked to the return of economic confidence and are essential preconditions for an economic recovery.

[Deputy Tony Killeen.]

Through implementing decisive expenditure control measures since mid-2008 to address the downturn in the public finances we have demonstrated our resolve to restore sustainability to the public finances and shown our ability to manage our budgetary and economic affairs in a prudent, credible manner. We remain committed to implementing our fiscal consolidation plan in order to bring the public spending deficit below 3% of the GDP Stability and Growth Pact threshold by the end of 2014. The evidence is clear. As the Government has already said, there are no easy answers and no quick fixes but we will continue to do the right thing.

The most recent set of Exchequer returns covering the period to the end of April were in line with expectations and show that the action taken by the Irish Government in managing the public finances is working. While challenges do remain in the context of implementing a €3 billion adjustment for next year's budget, our focus is to continue to improve confidence among households, the domestic business sector and the international investment community, through adhering to our consolidation plan. Recent developments such as those we are discussing highlight the importance of continuing to take firm and decisive action in this regard. It is fair to say that the difficult measures we have taken have been clearly vindicated. If we had not implemented these tough measures, we would now be in the unenviable position of having to take even harder measures to stabilise our economy than those now being put in place by our Greek partners.

I have outlined the background to this Bill. The decision we are now considering reflects the principles of solidarity and responsibility which lie at the core of monetary union membership. The support the euro area members states are prepared to give to Greece will benefit us all. I cannot stress enough that this is about the financial stability of the euro area and about European solidarity. In terms of the financial support package we are providing, I believe I have provided strong assurances to the House that the agreement provides that the funding costs will be fully covered. Here in Ireland, we are facing tough challenges and to succeed we must continue to pursue appropriate policies. Equally, the economic and budgetary issues we confront as a member of the euro area are vital to resolve. I look forward to an informed and constructive debate from Senators and commend the Bill to the House.

Senator Liam Twomey: Everyone understands Ireland's role within the European Union and within the eurozone. That said, we are also very much responsible for our future. The money markets have little trust in the euro currently because it is a currency that is under significant pressure. The story of what has happened in Ireland in recent years indicates what has gone wrong and what should have been prevented. We have never been in this position before and are not working from a template we can understand. Comparisons have been made between where we are right now economically with where we were in the 1930s after the Great Depression. I suppose there are some similarities, such as problems with the banking sector, the global economy and massive debts. Not long ago, before the last election, we were talking about a €3 billion surplus in the economy, but in a short period of time we have gone to a budget deficit of €25 billion. I am sure the Minister remembers that in the days of the Celtic tiger, his party was first to take the credit for the successes of that era. There was no talk about the Tallaght strategy until we had well and truly landed ourselves in a serious crisis.

This legislation is necessary because it is essential to ensuring the eurozone area and currency do not collapse. If it requires this sort of measure to keep it going, we must play our part, despite that our own financial position is far from secure. We need to be more honest about how we will manage our finances. The Minister for Social Protection has spoken about cutting old age pensions. I do not know whether he is just flying a kite or whether this is something the Government plans for the next budget. We need honesty from Ministers with regard to the

plans for the budget at a time when we are making the biggest *per capita* contribution to the Greek bailout. Our budget deficit is one of the highest in Europe but the Government does not appear to be showing any inclination to consider ways of dealing with our affairs with openness.

There has been significant criticism of Fine Gael because it objected to the fact our budget will be vetted by other parliamentarians before it is fully vetted in the Houses of the Oireachtas. There is a reason for that. We landed ourselves in the mess we are in because of our boom and bust economy where our budgets often did not reflect the reality of our position. Governments borrowed and spent without heeding the direction the economy was taking. The latest reports, published today, show our competitiveness has dropped again. We need to restore competitiveness as quickly as possible and restore jobs or we will be dragged down. The Government can begin to get us out of the mess by changing the mindset behind how budgets are delivered. We need more debate in the Oireachtas on budgets. We must move away from the one big day for the budget at the beginning of December and have better development of the multi-annual plans that have been happening over recent years. We need to broaden the discussion on our budgets and their provisions so that we can move away from our boom and bust system.

In one of today's newspapers, a well-known journalist pointed out that once former Taoiseach, Deputy Bertie Ahern, and the former Minister for Finance, Deputy Brian Cowen, had stoked up the construction boom and it took off, we were all on a roller coaster from which we would find it difficult to alight until it was derailed. It would have been difficult for Deputy Cowen to slow down the construction boom because he might lose an election as a result. It would have been difficult for him to rein in the banks to stop reckless lending because that would have had an effect on the economy. Despite the fact people were pointing out regularly at the time that we were borrowing up to €15 billion from our eurozone and European partners, mainly German banks, and that this was what comprised the growth in our economy, there was little said about the fact that this was unsustainable. That has been a contributory factor to our current position.

While the Bill before us is set up to deal with the Greek issue, we need to be more open and realistic about our home-grown issues. I have noticed that Government representatives are doing their best to highlight any sense that there are green shoots or that we are turning corners in the economy and I am aware the Government hopes growth will return by the end of the year. I, too, hope we have reached the bottom because we have been dropping significantly for too long. I do not know whether the Government is making the right choices. It must get rid of its mindset that only it knows and understands what is happening with the economy. We need to develop a more inclusive Parliament out of the crisis we are in. We need a different approach to how we deal with budgets. We need more discussion and more accelerated reform and transparency within the civil and public sectors because these account for such a large part of the economy and are of major significance to competitiveness and growth. We need to show we are seriously committed to this sort of change and to bringing it about more quickly.

Fixing our banking system has been very expensive for citizens, who will be paying for it for a significant number of years. We need to develop openness rapidly. Much of the anger in the community about the bailout for Greece is due to the lack of openness. People find it almost incredible that we are helping to bail out the Greeks. It is laughable that we are acting like big fellows, telling the Greeks we will give them €1.3 billion when the average person knows that we have the largest deficit within the eurozone, that we are borrowing €25 billion a year and have not got our own house in order. The Government needs to explain to people exactly what we are doing. It also needs to change the way it does business.

We need to be more open about how we do our business and about how the Government does business, especially the Cabinet, because few of the rest of us have any great say in how

[Senator Liam Twomey.]

the country is run. The Dáil has been very much neutered over recent years in terms of the say it has in how the country is run. Decisions generally revert to Cabinet, but that must change. This change can take place if budgets are debated over a couple of months and if future strategies and plans are debated openly in the House so we will not land ourselves in a mess like the one we are in now.

The Government should consider including in the discussion everyone elected by the people to make these decisions on their behalf.

The benefits of the good times were undoubtedly squandered. Probably up to €100 billion just evaporated from the economy and we are now paying for this. NAMA is paying on behalf of the taxpayer. Individuals' houses have lost huge values, but they must still repay their loans.

People and businesses have gone broke, while others are struggling to survive.

12 o'clock

Who knows where it will all end? There is only one thing worse than being negative about our future and that is giving false hope, which must be avoided.

Last December the Minister for Finance, Deputy Brian Lenihan, spoke about how the country had turned a corner, while last June, on the day of the local elections, the Governor of the Central Bank said he could see green shoots in the economy. If people do not see things improving and are being given false hope, it can worsen the mood of the general public and consumer sentiment about where the country is going. We must spell out exactly what is the situation. We are still in dire straits. The Croke Park deal must be passed by all of the unions. If not, it will have a huge knock-on effect on our competitiveness. There must be increased transparency in government in order that the people can feel they are part of the decision making process and can buy into what is being done. We must also radically change the way we do business in order that it will be seen to be productive, useful and inclusive of everybody.

We have little choice but to support the Bill. However, a number of changes must be made in the coming months. The Government must take seriously the issue of creating a more inclusive government for the country because we are not yet out of the woods with regard to this difficult financial crisis. Things might be improving slightly, but the problems will be with us for years. We must take a new approach to the way we do things.

Senator John Hanafin: I welcome the Minister. We are fortunate that there is a contrast between the situation in Athens and Dublin. The Government in Dublin took action quickly. We saw the difficulties confronting us, took action immediately and promptly and were open and transparent in the way we did our business. That is reflected in how the economy is now in a position and seen as such by our European partners to be one of the partners that can help to bail out Greece.

The situation in Greece was different. First, Greece misrepresented its situation to the European Union when it applied to join the euro. It appears that borrowing was hidden and that the full extent of the problem with the drachma was not shown when it joined the currency. Second, there are inherent difficulties in the Greek economic system. It is a far more restricted economy, less mobile and less able to react to the difficulties within it. That is the reason it is so difficult for the Greek Government to achieve acceptance of the conditions and reforms necessary to get the country out of its difficulties. Then there are the hedge funds, to which I will return.

The situation in Greece is such that it appears the people who are rioting on the streets — there are a few I know — either do not understand the concept or deliberately do not wish to know. If the European Union and the IMF are providing the money for day-to-day spending, acting on the calls of “IMF Out” or “EU Out” would mean no pensions would be paid in Greece, as the economy would collapse. However, that is not the way the Greek Government

has acted. It has acted responsibly and indicated a clear structure, whereby it will reduce its deficit of 13% in 2009 to 9% in 2010 and below 3% by 2012. That will require a great deal of hard work. The government has cut pensions and wages, removed restrictive practices and stopped extra bonus payments, early retirement at 45 years of age and the making of 14 monthly payments per year. This had to be done.

Everything done in Greece was probably done on the basis of growth rates. It appears that very few countries got it right; very few saw that it was not the big bang of freedom of capital that was the problem but its regulation. The Canadians perhaps show best what is and was necessary. Their banking and financial systems are very solid. We are getting there. Unfortunately, the regulation was not what it should have been, although, thankfully, it was not as bad in this country as in others. Ireland is now on the path to getting the economy right. That path to recovery means that we are anticipating growth this year and a 3% growth rate next year. Of course, that could change, but it could also change significantly for the better.

A big benefit was the fact that the man in charge of the US treasury, Mr. Ben Bernanke, absolutely understood the financial crash of the 1930s and avoided the restrictive trade that took place then. He avoided allowing banks to go broke, which would have created instability, uncertainty and fear in the market. Why not let some banks go broke? Lehman Brothers Holdings Inc. was allowed to go broke, but it represented only 4% of the American market. Anglo Irish Bank represents 50% of the Irish market.

The Government has made strong, stable and solid decisions. The proof of how solid and stable they were is that on two major occasions the major Opposition party supported them. Even recently we saw that the Labour Party would not support what was necessary. Previously, it would not support the bank guarantee. Party politics should never come into this situation. As the Opposition spokesperson in this House said, it is very important that the Croke Park agreement go through. It is important for the nation. No party should be allowed to sit on the fence and state: "We do not have an opinion on this because they have asked us not to get involved." The reality is that it is afraid of its electorate and afraid to make decisions. We are in politics to make decisions. In 1997 we did not know we would have so many years of growth and certainly did not know in 2007 that the situation would change so radically. However, one must face the situation as it presents itself. We will be judged ultimately not on enjoying the benefits or the losses in the bad times but on how we managed. I believe we have managed very well.

It is important that the Greek Government take a serious look at the measures taken in this country which I believe were taken fairly. From the outset the emphasis was on social solidarity. There has been little upheaval in this country, if one discounts the obvious attempts to create mischief at the gates of Leinster House. We have yet to find who was behind that mischief making. However, it was no more than that. It was a deliberate ploy to make waves and show there was instability in the country, which there is not. The public knows there is a request from the Government — that is all it can make — that everybody bears the burden according to his or her ability. We have made cuts. However, it is important that we are in this position because, other than the fact that we are saved the dreadful puns of being wary of Greeks bearing gifts which would have ensued if the Greeks were giving us the money, we are able to assist the Greek economy. Of course, that is something about which I am particularly pleased because if they follow the model we have implemented, ultimately it will benefit their economy. It shows that taking strong steps quickly is what will assist.

The Greeks have had a second problem. The second problem has been the betting and deliberate attempts to destroy the Greek economy by hedge funds. That is why I welcome the EU decision to regulate strongly hedge funds.

[Senator John Hanafin.]

These hedge funds regard themselves as waiting lions on the savannah which, during natural selection, would take out the weak. The reality is these hedge funds are sometimes less than vultures. At least vultures wait for their prey to die before they attack.

These hedge funds have taken positions previously against currencies and against sovereign debt. In Argentina, for example, they bought up the sovereign debt at sometimes up to 20% of its write-down value and then brought the sovereign nation to court looking for full payment. They have done the same in Peru and they have done the same in Greece. It is quite straightforward. They buy up the debt, dump the debt on the market, create the impression of instability or use some riot or strike to give the impression that this will bring down the economy, drive down the price of the debt and then go in to buy it cheaply themselves. It is just short of economic terrorism and it is time it ended because it had a very serious effect on Greek bond sales, so much so that the Greeks refused to sell to mutual funds and to banks because some of those banks had acting hedge funds and instead went for insurance companies and sovereign debt. The Greek situation, bad and all as it was, was made much worse by speculation against the currency. The hedge funds would have speculated against Irish debt also using any excuse to imply we could not manage our debt.

Looking at the situation, of course, when one is dealing with reality one must take what people say. If an Opposition spokesperson states that €100 billion left the economy and just disappeared, that is arrant nonsense and it should not be allowed stand. First, it was suggested that it was the developers. Now we know from all the court cases that everything that the developers have, including part of their pension funds, is being taken from them, and that just does not run anymore.

Then it was the banks. The banks did make losses on the developers. However, the money that was in the Irish economy was given out. It was given out by the State in very low tax and in capital payments and it is clear that is what happened. Let somebody show me the truth of the amount of moneys that left the country because I do not believe it is there. There are losses and the reason was there was a property bubble, and that would have been managed were it not for the world collapse. However, the same people in those hedge funds I spoke about earlier were the very ones who sold the sub-prime lending and who, once the sub-prime lending hit Bear Stearns and Lehman Brothers, took positions against HBOS and Lloyds. At the very same time that they were responsible for the downturn, they were betting against solid banks and, of course, further exacerbating the problem.

An Leas-Chathaoirleach: The Senator has one minute remaining.

Senator John Hanafin: In conclusion, we have faced difficulties but we faced up to our difficulties. I am glad we are in a position to support the Greeks. What they can learn from us is social solidarity, to move forward together. Let everybody see that there are no golden circles, that everybody who is responsible and everybody who is involved will pay equally. That is their way forward, the same as it is the way forward here.

I hope for a much brighter and better future. I expect we will get the growth rates. Of course, nobody knows what the future will bring but I suggest that within every fall is the inherent reason for recovery. If there is a major downturn in the world economies, all commodity prices fall, the price of labour falls and within a few years one will get recovery. The one thing we must never do is restrict trade and return to restrictive practices. We look forward with hope, recognising the considerable contribution that everybody is making to ensure that Ireland's economy is in a position to help the Greeks.

Senator Shane Ross: I must admit I was staggered when I first heard the news that we were volunteering to produce in one way or another, or certainly to put ourselves on the line for €1.3 billion. I really thought there was a certain degree of unreality about Ireland which, as Senator Twomey stated, has the largest deficit in Europe and is certainly the nation which has fallen the furthest in recent times, charging in to put itself on the line for €1.3 billion. It is, after all, over a third of what the Minister for Finance will be looking for in the budget. It is an enormous sum of money for a country which is as indebted as we are and in the sort of difficulties we face.

I could not quite understand the rationale for us doing it without reservations because there is an optimism about this particular package which assumes, as I noted in the speech of the Minister, Deputy Killeen, that Ireland “will not be financially disadvantaged by these arrangements”. That is absolutely true, in terms of the interest rate we might be receiving for it. The circumstances in which we would be financially disadvantaged by these arrangements is if the Greeks do not pay us back, and that is not impossible.

Of course, the reasoning behind it is to be good Europeans and the word “solidarity” appears in the Minister’s speech and in other speeches throughout the presentation of this Bill. However, one of the problems with this well-meaning measure is that there is a possibility the measures for conditionality to which the Minister refers cannot be implemented.

There is a kind of starry-eyed view of the IMF — it is contributing approximately €30 billion of this — as some sort of doomsday rescue agency which comes in, sets some very tough conditions and then the nation will be saved. In this case, there are tough conditions, some of which are being contributed by the IMF and some of which are being contributed by the nations in the form of guarantees. The assumption is that these conditions, having been accepted by the Greek Government because as a Government it has no option, will be implemented. I hope they are right but there are signs of civil disobedience on the streets of Greece, to which Senator Hanafin referred eloquently, and it may not be possible to implement the measures which have been agreed by the Governments.

There is civil unrest in Greece. It is not here, thank God. However, it is dangerous to assume the IMF has come in, the European nations have corralled Greece and we will get our money back. Let us hope it is true.

The Greek situation, both in terms of the economy and of political stability, is a matter of historical difficulty which we should take into account when we are giving money to this nation. It does not have the kind of political stability we have here. Senator Hanafin correctly pointed out that the marches that took place here in the past few weeks showed the lack of enthusiasm there is here for taking to the streets in a violent way that there may be in other countries. Greece is not Ireland. It is fair to say that the responsible reply that has been given by the trade union movement as well as others to many of the measures taken here by the Government is something we should be proud of and treasure, but not abuse. That is the first point I want to make.

My second point relates to setting up funds of this sort. This €110 billion, of which Ireland is contributing €1.3 billion, is a kind of safety net, not so much a fund. Often its like sets a target for the financial markets. We should note this is not just to save Greece but was followed by the setting up of a fund of €750 billion a few weeks later. That fund was set up for a similar but not identical reason — to save the euro. Whereas the economy, credibility and credit rating of Greece are under threat and it is an integral part of the euro economy, the euro itself came under threat within a couple of weeks and is still under threat. The reality is the fund set up with a nominal value of €750 billion to save the euro had very little effect. The euro fell very steeply because the markets regarded the fund as irrelevant. It is the largest fund of this sort

[Senator Shane Ross.]

ever set up but the markets took the view, and it was the same in Greece, that the economic fundamentals must be got right before any action of this sort is taken. For instance, a fund of €1 trillion could be set up and the speculators would take it on if the fundamentals were not right. This is the problem, not just for Greece but also for the rest of Europe, especially France, Portugal, Italy, Greece and Spain. Setting up any number of funds for the Club Med countries will not sort out the fundamental problem of their deficits, their property problems and whatever other fundamental economic problems exist in those countries. That is what has to happen. Whereas the Fine Gael Party took the view that it did not like the fact that the budgets of the European nations would have to be inspected, peeked at or looked at by the Commission in advance, it is going to be very difficult to defend the euro if the economies are not defended and the only way of defending the economies is by reducing their deficits.

We have to be honest about it that there are certain serial offenders in this category. That is why the PIGS countries are known as such. They are offenders in this category and they do not have the same discipline as some of the other countries. No one is a paragon of virtue, even Germany. Certainly, we and others have created such a record of economic profligacy that it is very difficult to justify us going ahead on our own without some checks and balance. Neither we nor Greece, Portugal, Italy or Spain will be able to look for help from Europe unless we impose those disciplines which we agreed to and which everyone breached in recent times. It is only right we should accept that these funds which are being set up, one for Greece and the other for Europe, are temporary at best and may actually be harmful in a certain way. The speculators to whom Senator Hanafin referred have decided to have a pop at the fund of €750 billion and question how long it will last. It is purely artificial and may give a feeling of security to those nations which will prevent them from or act as a disincentive to them to curing the fundamental economic problems they are suffering.

I would not say in any way, therefore, that this is going to cure the Greek problem. I think there are real difficulties ahead. I would not say in any way that setting up a fund of €750 billion is going to assist the euro in any meaningful way. The euro has gone down in value and is being attacked since that fund was set up. I have serious reservations about the fund, although I think the reasons it was set up are understandable, and measures taken in a hurry, which is the case when currencies are under threat, are difficult measures to take, as seen in the case of the bank guarantee and other such measures.

Ireland is not a particularly suitable country for lending borrowed money to someone else when it is in the sort of state it is in. It is a bit like the extraordinary suggestion that Anglo Irish Bank should rescue Seán Quinn, that a bankrupt bank, nationalised, backed and owned by a nation in trouble, should rescue a company in great trouble. The suggestion that this nation should rescue someone else is a case of the drowning rescuing the drowning, and that is not feasible in any long-term way. It is indicative of a way of thinking which is not realistic.

Rescuing the Greeks and others is testing the patience, not only of Ireland, where we have done well in rescuing ourselves and are held up as a form template which may not work but under which we have at least made an effort to cut public expenditure, but also of other nations which may get tired of rescuing the badly managed nations of Europe. No one would have missed what happened in France and Germany during this time. There is a real danger that if we keep bailing out nations who get into trouble, break the rules or tell lies about their figures, the paymasters of Europe, the Germans, will get fed up.

It looks perfectly clear that Angela Merkel is sick and tired of some of these Club Med countries. Everyone knows that she was the hard-liner on this issue and she conceded in the end. While we do not have to worry that Greece, Portugal, Spain, Italy or Ireland will be expelled from the euro because there is no mechanism for it, we should worry that Angela

Merkel, who lost very badly in the elections held in the middle of this crisis because the Germans in the regions were fed up with bailing out the Greeks, could decide she and Germany are fed up. We should worry that she would pander to German public opinion — that is what politicians do — and decide not to expel those countries but rather to pull Germany out of the euro. That is a real danger, that the euro would break up, not through excluding the weak but through the strong saying they have had enough of the weak, pulling out and going it alone. This is something the Government must be aware of and should take measures to prevent within the European Commission, the European Parliament and the European Council. The real danger is not of expulsion but of withdrawal.

Senator Dan Boyle: In 1993 at the time of a referendum on the Maastricht treaty I found myself arguing whether this country should consider being part of a future European currency. This issue did not figure in that debate as the main preoccupation was whether the amount of development funds received from the Edinburgh summit was £6 billion or £8 billion. It is unfortunate there was not a debate on such an important decision for the country. That said, the Maastricht criteria are excellent tools for the management of national finances. For the most part we have lived within those criteria. Circumstances in the past two years have meant that the figures of a 3% budget deficit and a 60% debt-GDP ratio have been wildly exceeded. We have found ourselves in the company of a number of other European Union member countries and euro currency member states. This time last year, when trying to seek finance on the international bond market to attempt to claw back the deficit over a six-year period, we were being charged more than Greece. Some of the painful but necessary measures the Government had to take have at least pulled Ireland away from the situation now faced by Greece, Portugal, Spain and, probably, Italy.

Many countries have found themselves with a deficit in borrowing. With this the euro has come under threat from international speculators. While we can argue the reasons behind this, the euro is seen as lacking the coherence of other international currencies such as the US dollar, yet the American economy is \$13 trillion in debt and probably far weaker than the combined European economy. That, however, does not seem to be exercising speculators. The ratings agencies which have been discredited throughout this process still hold sway in how the markets behave. This has led to a dangerous situation in Greece.

Ireland has had to deal with a double economic shock caused by international factors and flaws in previous domestic policies that have brought up our borrowing needs, as well as a banking and financial crisis, yet it finds itself in the unusual position of being asked to offer a sizeable loan to the Greek state to cover difficulties which we consider we have at least begun to overcome through our policy decisions. These are difficult days for Greece. Its budget deficit is actually lower than Ireland's, but its national debt is far worse. The measures proposed by the Greek Government, induced by the eurozone working with the International Monetary Fund, IMF, have provoked a reaction in the country. It has something to do with its culture and a Mediterranean temperament that a dangerous situation has developed.

The loan facility is being made available with some uncertainties in the background. This collective action through the loan facility will provide the necessary stability, guarantee and a greater sense of certainty that the money will return. Our capacity to lend in current circumstances has improved because of the policies the Government put in place earlier last year. The money can be loaned, but the uncertainty arises in getting it back. The last European Council meeting of finance Ministers gave sufficient guarantees which underpin the Bill's principles. The overall position, however, remains uncertain. Recent statements by the Greek finance Minister that his country's participation in the euro is not guaranteed in the long term raise further questions. So too do the comments by the German Chancellor, Angela Merkel,

[Senator Dan Boyle.]

about the euro being in crisis. It is important that if this loan facility is to work, it is built on collective action, solidarity and confidence. That is the message that must be sent to the wider financial world.

The underlying statistics are positive. The most recent European Commission forecast for 2010 indicated the rate of eurozone economic growth would be less than 1%, yet Ireland's would be 3%. Ireland is in a better position than it was in the past and can have confidence that it will meet its collective responsibilities in the eurozone and this loan facility.

Achieving a balanced budget figure by 2014 must, however, be strictly observed. Current trends indicate it is still difficult. Last year, while we were dealing with the double shock to the economy, the concern was that when recovery did occur, there might be a double dip, but that risk is now dissipating. The new risk is posed by the instability and uncertainty in the eurozone and the role that will subsequently be played by the Greek, Portuguese and Spanish Governments. The measures adopted by these countries in reducing their deficits have been tough but courageous. That should give Ireland heart in continuing on the road it has chosen. Although there are inherent risks in what we are embarking on in the Bill, the Minister for Finance has obtained sufficient guarantees. This is dealing with an interim difficulty that we can overcome because the European Union and the euro need to do so.

Senator Alex White: I counsel Senator Boyle against deploying too many ethnographic or cultural explanations for problems that particular countries may face. I understand what he was driving at, but at the risk of engaging in political correctness, Greece's location in the Mediterranean which is part of our Continent is not the full explanation for what has occurred there.

Senator Dan Boyle: It is the heat.

Senator Alex White: I will be supporting this measure. We all do, even the Minister, with certain reservations.

Some two weeks ago when this loan facility was first introduced, it was suggested it was a godsend that the Government could lend to Greece at a higher rate than the rate it would have to borrow the money. I was glad this argument did not feature in the Minister's speech here or in the Dáil. I was beginning to wonder if that were the case, why were we not borrowing money from the international markets to lend to countries in difficulty all the time and, accordingly, solving many of our own problems. I am glad this argument was abandoned, as no one in his or her right mind would argue this is some process in which we want to be involved.

This loan facility is about showing solidarity among members of the eurozone. It is not the solidarity we had in mind when we joined the euro or the European Union. None of us expected solidarity would require us to dig deep in our own pockets for others. However, that is what has occurred. This solidarity is predicated mainly on a sense of "There but for the grace of God go we". There is a certain vested interest in this solidarity, as we might face the same fate as the Greeks in the future.

This so-called bailout for Greece could be transformative for the entire eurozone. However, we should rise above that particular level of discussion and argument, true and all as it may be, and start to contemplate and consider the real transformation this will likely bring, ultimately, to the whole nature of the European project, to the eurozone and to the mechanisms that have been deployed to date through the Stability and Growth Pact and elsewhere. I would be interested if the Minister of State disagreed, but it appears as if the Stability and Growth Pact is finished as a real mechanism or as a mechanism with credibility in any sense or one

which can be restored to any level of credibility. A more complex set of measures must be agreed and imposed throughout the eurozone to achieve the type of convergence and economic co-operation or cohabitation among different economies within what is, essentially, a single currency, but also a unified economic system. There is no doubt that the mechanisms put in place at the beginning have been found wanting and that they appear to have collapsed. I understand there will be a meeting tomorrow of the ECOFIN Ministers to examine the implications for the future of what has occurred and to begin to ask questions about what new mechanisms should be put in place. This must be considered. It should lead to a broader political debate in this country as well regarding what we can expect in future.

Last week, there was a skirmish about sovereignty. People got very excited on the Government side at the point made by the leader of the Fine Gael Party to the effect that there was a threat to Irish sovereignty in respect of several instruments such as corporation tax. We must see beyond a reactive debate when someone makes such a remark. We must all understand there is no question but that the character of the relationship between an individual country and the eurozone will change and there will be a great political battle about this in the coming years.

Let us consider what the Germans are saying and what they wish to see take place and the changes they wish to see brought about. I realise it will be a matter for negotiation but Germany is a very powerful country and it is doling out a high percentage of money in respect of the measure for Greece. We can expect it to seek fundamental change. It may be that fundamental change is necessary. Various types of issues will arise in future. The issues of tax measures or monitoring of budgets by the European Commission are simply the beginning in terms of the demands for change that will be made by some of our partners. We should begin to hold the debate here about how we propose to respond. It is not enough simply to fold our arms and maintain we will not budge on this or that. That is not enough. I do not maintain for one minute that I agree with any of the proposals touted, either by the Germans or otherwise, but they will be the subject of debate. The last thing I seek is for an Irish Minister to go to a Council meeting in Europe, or some other such body, in three or five years time, only to return and announce a package of measures without a proper debate in this country prior to any such undertakings being given or such agreements being reached.

That was part of the problem with the Lisbon treaty. Too much of the discussion and debate occurred, essentially, behind closed doors and before there was an opportunity for it to be ventilated in public. Then we were left in a situation in which people had to defend something about which there was never any real debate in advance. However, I have no wish to go back to that issue. I am interested in the mechanism or methodology of the debate and a consideration of the ways in which this Parliament could be involved now in the debate about how the euro and the eurozone evolve if they survive — I believe they will — and what measures must be taken to ensure the failure to recognise the mismatch of economies that existed at the start of the project is addressed in a credible way and in a way we can support.

We must consider how to go beyond the narrative of fiscal discipline. I do not maintain that I am not in favour of fiscal discipline but this debate is not simply about fiscal discipline. Senator Boyle and other Government representatives referred to the fact that we have performed well, that we have demonstrated to our European partners that we have turned a corner and that we are doing what we are bid do and what is expected of us, to use the words of the Taoiseach last week. That is simply not good enough. As I have stated before, fiscal discipline is a necessary part of what must be done, but as a policy it is not sufficient to be able to say to our European partners when we go to Brussels that we are dealing with the fiscal end of matters. We must have a strategy for growth.

[Senator Alex White.]

I am very critical of the Government for seeming to reduce the debate about our economic future to how and in what manner we reduce the deficit. That is only one element of what we must do. I am critical of the Commission as well for failing to bring forward a robust set of policies in respect of growth in the eurozone, which is necessary and we constantly maintain as much on this side of the House. That is the way to bring the public along and to bring about some sense of renewed national solidarity in the country. It is not good enough for the Minister to hold that because the people he meets in Brussels maintain he and the Government are doing a great job that somehow it is the end of the matter. The test will be how we turn the corner but not only in the eyes of the markets, ratings agencies or the colleagues of the Minister for Finance when they sit down for dinner tomorrow night. The test will be the view of the people, what they experience in their daily lives and their working lives, if they have jobs. The test will be their view of the future and their considerable desire to be part of the solution to this problem, not simply to continue to be victims of a policy determined elsewhere. This will require a new sense of national purpose. Frankly, I do not believe this will happen without a change of Government.

I do not blame my colleagues on the other side for doing so, but they continue to come to the House and refer to change and green shoots. I have no difficulty with this and I hope there are green shoots; the bigger and the sooner, the better. However, the central element of the political debate in the future, whether at election time or another stage, will not be the extent to which there is growth abroad from which we benefit, but the legacy of what has occurred in the past 15 years. We will continue to have the bill for that. We will continue to have the bills for Anglo Irish Bank and the other banks, whether there is 0%, 1%, 3%, 5% or 8% growth. Even if we return to the heady days of 9% or 10% growth, we will still have to pay that bill. It represents a massive albatross around our necks for the future and there must be a political reckoning about it, how it occurred, why it occurred and who is responsible. No Government spokesperson can get away from that central fact, even if he or she wishes to inform us about the green shoots, which we welcome and which we are greatly pleased to see.

In addition to dealing with the immediate problem of Greece, this Parliament must be part of the debate on the future of the euro and the European project. Although we are a small country and relatively insignificant in terms of numbers and wealth, we must hold the debate. We should be driving the debate and we should attempt to pick up on the type of debate that took place at the very end of the Lisbon treaty debate, due in some part to Senator Donohoe and his sub-committee. This could help to push some life back into such a debate. We must resume that debate and hold a discussion about the perspective we seek for the future, where we fit into this great project and how we will respond to the undoubted pressures that we will come under when the Stability and Growth Pact 2 emerges. There is no question but that the Stability and Growth Pact 2 is coming down the line and I have no wish for us to be a victim of something. We should be a party to the debate on how that will take shape.

Senator Larry Butler: I agree with much of Senator White's remarks. We must get involved in this debate and we must take charge of our destiny in that regard. I welcome the fact the European Union has come together in such a way to protect the euro and this should have been done or foreseen, probably when the euro was first envisaged. The need for a support structure and to have a mechanism in place to ensure the stability of the euro should have been anticipated but this was not done. Perhaps we are closing the door after the horse has bolted. That being said, we must accept where we are now. This would probably not have happened were it not for the Greek situation. We see how important it is to support the Greeks.

We have a short memory in Ireland. It is not long since we were supported by the European Community and between €25 or €26 billion came into this country. I hear people bellyaching about our €1.4 billion support for Greece. This is nonsense when one considers the money we have gained from our membership of the European Union. We have been well supported by Europe. The European vision is a very good one. We did not realise we were going to have such a downturn in the world economy and in banking. In our case, we also had to deal with the property bubble. We took three hits in one.

It is important to bear in mind what Senator Mary White said. We must become part of that debate. It is still important for us to ensure we have an independent financial outlook. Our partners, who are supporting the euro, should also have a say in how we ensure stability in the euro area. That means allowing for a certain amount of growth. The 3% budget deficit figure that was set and ignored by the Germans, French and ourselves was an unrealistic way of approaching the control of our budget in this country.

What are the benefits of membership of the European Union? They are stability of the currency, which we are now supporting, stability of our economy and a good export trade into Europe. When we want to ensure our credit worthiness and sell our bonds in the European Community, there are great advantages to membership. It is important we have these advantages.

Where do we stand in the debate? There will have to be changes to the present structures. They are not fit for purpose as we move into a new decade. The difficulties of Greece, Ireland and weaker members of the EU will be repeated. How will we support those members within the structures we have set up? This will be important. The debate will have to centre around the whole European plan. Seán Lemass foresaw the European plan before it was rolled out. He was a man of vision. In that plan, he saw that small countries could do very well within the European Community. Bigger countries were dictating to smaller countries and stifling our markets. I remember when one pound of butter cost four shillings and ten pence in Ireland while the same butter could be bought in the United Kingdom for one shilling and nine pence. That was how we were treated as exporters at that time. We had no choice but to subsidise our butter exports by overcharging on the home market. That is an example which is long gone because of the European Community and the Lemass vision.

I look forward to the larger debate. We are lucky to have a Minister for Finance who has a great understanding of the infrastructure we need to create to protect ourselves within the European Union. I want to ensure he articulates my views when the debate broadens and decisions are taken.

Senator Paschal Donohoe: I want to emphasise why it is in the interest of our country to support this measure. There are two reasons. First, the performance of our exports and of the European economy is of great importance to our national prosperity. Any measure we need to take to ensure the stability and credibility of the euro and the eurozone is in our national interest. This measure clearly is. A more immediate reason to support it is that any difficulty that develops in the selling of Greek Government bonds will raise the interest rate on those bonds and will affect the rate of interest we pay on our national debt. It is in our short-term financial interest that the risk being factored into the buying of government bonds in Europe be reduced because it will then cost us less to sell our debt. For those two reasons, this Bill should be supported and we need to see it passed.

It is an uncomfortable measure to see happening. No one, least of all the people in Greece, want to find themselves in a position such as this. Despite how uncomfortable the measure is, we should not be surprised at what is happening. In the broad sweep of economic history, every time a region, or the world, goes through a major financial crisis, especially if it is led by what

[Senator Paschal Donohoe.]

is happening to the banking structures in different countries, the crisis invariably leads to an issue with the selling of government debt. If debt is moved off the balance sheet of the private sector and put onto the public sector, it inevitably leads to difficulty regarding the financing of that public sector debt. We saw that happen in the 1990s in Latin America where the funding of sovereign debt led to issues. We are now seeing it play out in Europe. The reason it is causing such difficulty in Europe is that we share a common currency. The stresses being created in one country, because it cannot sell its government debt, automatically feed into difficulty in all countries.

We can look at the debate in two ways. We should look to the past and to the future. While I agree with much of what my colleagues on both sides of the House have said in analysing the past, I have one point of difference with regard to the Stability and Growth Pact. The conventional wisdom is that the current difficulty would not be happening if countries had met the criteria of the Stability and Growth Pact. This is mostly true. We must bear in mind, however, that some of the countries that are now dealing with these difficulties did meet the criteria of the Stability and Growth Pact. Spain, for a while, was the poster boy for delivery of the pact's criteria. Italy, France and Germany have had more breaches of the criteria than Ireland or Spain, yet they have managed to circumvent our difficulties.

This points to a second weakness in our evaluation of the economic success of participating countries in the eurozone. We have done so almost exclusively on a fiscal basis. We say a country is doing well as a member of the eurozone if it delivers its budgetary objectives, but gigantic contortions and stresses have been going on behind the scenes in these national economies while they have been delivering the fiscal objectives laid down by the European Union.

Ireland is a classic example but so is Spain. As we examine how we are to move forward, we must broaden the measures by which being a successful member of the eurozone is evaluated. Although it is easy to say this, it is vital that it be said. While, tragically, austerity forms part of the solution to these difficulties, it is not the full solution. That there are countries that were meeting the budgetary criteria but still found themselves in difficulty demonstrates that there is a gigantic lesson to be learned from history.

There are three elements of this debate that we should consider as we proceed. The first is obvious and one with which we in Ireland are grappling. It concerns the fact that we need to find a way to ensure the success of measures for fiscal consolidation. While I hate the phrase "fiscal consolidation", we need to solve national budgetary difficulties.

Individuals, understandably, allocate a lot of blame to the performance of the financial markets. Although their performance in recent months has been reprehensible in many ways, we must bear in mind that they have so much power in the first place because political decisions were made that gave them that power. If the right decisions had been made regarding how much money a country should be borrowing responsibly, we would not find ourselves in circumstances in which the financial markets have power we wish they did not have. We cannot welcome investors when we want their money and blame them as speculators when we find ourselves in difficult circumstances, as we do now. If a country such as Ireland had made the right decisions between 2000 and 2007 and listened to what the European Commission was saying about the national finances, we would not be as much in thrall to the financial markets as we are now.

With regard to the meaning of fiscal co-ordination, I have no difficulty with it being rolled out across Europe as long as we respect the sovereignty of national governments in making crucial decisions on taxation, as was done in respect of the Lisbon treaty. However, we need

to be clear that fiscal co-ordination means different things to different people. When we talk about it, it is assumed it means every country must focus on how it should contract its budget and take money away. However, fiscal co-ordination in this case means, crucially, that Germany should make the decision to get consumers spending again. This would allow a crucial export market on which we depend to do better.

I am in complete agreement with Senator Alex White that we must ensure what occurred does not happen again. This will mean sweeping reform of the Stability and Growth Pact. If we are really concerned about preserving our economic security and sovereignty, we should be reasonable, mature and brave about having that debate.

Senator Fiona O'Malley: I like the habit that has developed, whereby Senator Donohoe, as always, speaks so much sense. It is very interesting to listen to him. Senators have said that, now that things are going wrong, we realise we did not prepare well enough for the introduction of the euro. It is only now that we realise no one thought about what would happen if a member state wanted to withdraw from it. Apparently, only the Germans have a system under which they can withdraw from the eurozone. None of the other member states has such a system.

This Bill marks Ireland's coming of age in the European Union. Reference was made to the fact that Ireland had always sought a hand-out. Owing to the existence of an EU standard, we refinanced the country and brought it into the modern era, financially, socially, legally and in terms of rights provision, including for minority groups.

Certain people are disgusted with the idea of bailing out Greece considering that Ireland is in difficulty. Although it is hard to raise money and the country can ill-afford to finance another state, it is noteworthy that we are prepared to give money to a country in need. As Senator Alex White stated, "there but for the grace of God go we." We need to recognise this and show solidarity with the other member states at this difficult time. It is important that we prepare the way and pass the Bill.

I listened with interest to what Senators had to say about how leaders, particularly the German leader, had moved slowly in putting together a rescue package because of national interests, thus calling into question the euro's credibility. At times such as these, we need to rise above national considerations and show what is meant by European unity. We should not look to particular national interests, be they electoral or otherwise, but to EU interests. Not all eurozone leaders have been singing from the same hymn sheet in the best interests of the euro and we can see the result in the markets. Senator Donohoe made a very good point on how we had ceded so much authority and power to the markets. We are completely in thrall to them, particularly considering the effect an individual such as the German Chancellor can have on them. We are constantly running to catch up. This is not a good place in which to be. At the meeting tomorrow evening everybody should forget his or her national interests and seek to help each other out.

Senator Ross referred to Chancellor Merkel's comment that it was not instinctive to be helping the most errant player in the euro field. The Greeks are not being penalised for their bad record, unwillingness to adjust and not telling the truth in order to get into the eurozone in the first place. Rewarding somebody for doing the wrong thing is never a good idea, but, as Senators Alex White and Donohoe said, this crisis will force us to examine how the euro works. Senator Donohoe referred to the Stability and Growth Pact. It was not the case of there being a single good measure. Although our conduct has been good under the Stability and Growth Pact during the lifetime of the euro, we are not exactly free from economic problems. Therefore, it is not just a case of a single measure that is best.

[Senator Fiona O'Malley.]

I am slightly critical of the contribution of Senator Alex White. I was very interested in what he had to say and did not disagree with a word of it, but words are one thing and action is another. I thought, as I listened with great interest to the Senator's noble words and sentiments, that the failure to act would cause real problems.

Senator Alex White: I am quaking in my boots.

Senator Fiona O'Malley: The Senator was talking about the European dimension and referred to how we needed to look to the national purpose and consider how we were to turn the corner. I thought to myself that we had a little problem at home, in respect of which the Labour Party was not showing much leadership. I know it is a slight embarrassment to the Senator.

Senator Alex White: It is not an embarrassment in the least. I dealt with that last week and I will deal with it again shortly.

Senator Fiona O'Malley: The Labour Party has the opportunity to do what is necessary at home to show the leadership the Senator is seeking. As he said, people are crying out for it. This is how we make sacrifices regarding our ideals or in dealing with sectoral interests.

I hope his party leader shows he is capable of leadership. I served on a county council with him and I have great admiration for him but he is falling short of my estimation of him.

Senator Alex White: He will be very concerned about that.

Senator Fiona O'Malley: I am sure he will be because I represent many people. I would love to think he will show leadership when he has the opportunity. I listened with great interest to Senator White's contribution and it will mean something if he follows it up by supporting the Croke Park deal.

Senator Alex White: I will get back to the Senator on that later.

Senator Paul Bradford: It is a long road from Athens to Croke Park via Dún Laoghaire. The House is always a most interesting place.

This has been an interesting and substantive debate with some excellent arguments and presentations being made. I was taken very much by Senator Ross's comment about the possibility of German withdrawal from the euro, which may be far-fetched. He argued that people are concerned the euro area could fall apart because of difficulties with the weaker members but he reasoned that there could be difficulty for the euro if the stronger countries such as Germany decided they had enough and withdrew. That may be an outside bet but we need to take notice of that. Yesterday, I read a newspaper article about the current political difficulties faced by the German Chancellor. It is interesting they are being caused within her own party and by her own allies, some of whom believe she may be giving too much leeway to her European partners, which is a little concerning.

The legislation will enable aid, assistance and order to be brought to the Greek economy and it is necessary. While it is disappointing we have reached this juncture, it is much more disappointing for Greece that it is in an economic abyss but we must assist the Greeks to work their way out of these grave difficulties. Senator Butler made a pertinent and common sense statement, on which we should all reflect. Ireland, having done so well out of membership of the Union down through the years and having drawn down essential and useful funding, is

being called upon to be generous in its own right and it is appropriate that we do so. No fair minded person will have a difficulty with the legislation.

Notwithstanding what we are doing to aid the Greek people and their economy, the broader picture regarding the euro relates to the confines of the Union and its political system and economic growth and development. While restraint, austerity and savings are necessary in both Ireland and the Union, the bigger picture is growth, development and job creation. That must become the big European political project. We were debating the Lisbon treaty this time 12 months ago. The Lisbon Agenda, which addresses economic growth and development and the job creating capacity of the Union, has not been to the fore of political discourse in Ireland. The formula it proposed has remained under the radar and I am not sure how effective it has been. The follow up to the Lisbon Agenda is the 2020 Agenda. The European Commission is finalising its proposals regarding this document, which is about the future economic development of the Union. There must be a strong focus on this because it is through economic growth, development and job creation that not only will the Greeks find a way forward, but the entire Union and its peoples can move forward in relative economic security and stability. That must be the focus.

A number of Members referred to the fact the Irish position may not have been entirely dissimilar to the Greek position from a financial perspective during certain periods. Our economic picture is improving from a debt management perspective but, on the other side of the economic equation, we face significant despair, unemployment and economic difficulties, which need the attention of governments. The Minister reflected upon the progress made in bringing order to our public finances, notwithstanding the fact they are horrifically out of kilter. He also flagged once again the need for further restraint in the next budget. It is necessary that these matters are brought to our attention and that we have more substantive debate on the options available but we must concentrate much more not only on debts, restraint and cutbacks, even though they are necessary, but on offering hope and putting in place the economic formula to put people back to work.

One of the disturbing features of our economy, which is probably commonplace throughout the Continent, is the significant deposits and savings in banks and the lack of spending and generation of economic wealth. It is a major challenge for governments to encourage people and to assure them it is time again to spend and invest and time for economic activity. I hope in this House and elsewhere we will be able to reflect on that and to encourage progress in that regard over the next few crucial months.

It must be accepted that it is not only inevitable but desirable that we respond through this legislation. The Union must be more than simply a group of 27 countries joined in some sort of economic formula; it must be a family of nations where when one, two, three or four countries are in difficulty, the others must be obliged to come together to provide assistance and support. The Greek people through the budgetary options before them have huge economic difficulties and problems ahead. There will be severe restraint and cutback. At least we are trying to provide some assistance and support through the legislation and I welcome that. From a Greek, Irish and European perspective, we must try to move the debate forward as quickly and as substantially as possible towards wealth and job creation and getting the peoples of Europe back to work.

Deputy Seán Connick: Much of the debate has been positive and Senators have touched on many of the key economic and budgetary challenges facing us which, as a member of the euro area, we must work to resolve. The debate captured the range of political views on how we should address these fundamental challenges linked to our participation in economic and monetary union. There is, however, a shared understanding of the nature and gravity of these issues.

[Deputy Seán Connick.]

This collective appreciation has helped to enhance the discussion and wider understanding around these issues.

As an active participant in the various European institutions and as members of the euro area, we have a responsibility to provide support and demonstrate solidarity with our partners. In these challenging times this is particularly the case, as the collective strength of the euro area economic bloc underpins our ability to protect the integrity of both the euro area economy and euro currency.

I also wish to reiterate that the strategy which determines this Bill is designed to safeguard the fundamental financial stability of the single currency area. This is an essential prerequisite to secure our economic recovery, but also to protect the standards of living that we all enjoy.

I welcome the fact that most of the Senators who spoke were broadly supportive of the Bill. This, above all, is a time for unity and shared resolve in the national Parliament, as the impact of the situation in Greece on international bond markets in recent weeks clearly demonstrates that what happens to our euro area partners has a large influence on our domestic economic interests. On behalf of the Minister for Finance, Deputy Brian Lenihan, I thank Senators on all sides of the House who have made such a positive and constructive contribution to the debate on the Bill. It is reassuring in times of necessity that we can forge consensus in the best interests of the country and the European Union.

The legislation will provide a statutory basis for our contribution to the euro area financial support facility for Greece. There are understandable questions about the financial implications of the entire funding facility. However, built into the entire process are strong financial safeguards to ensure Irish and European taxpayers will not be financially disadvantaged through these arrangements. It also has the full reassurance of the European Commission that member states' funding costs will be met in full. Adjustment mechanisms are included to ensure a rebalancing in favour of any member state which might incur higher funding costs than those being charged to Greece. Our overall contribution to the euro area loan facility is anticipated to be about €1.3 billion, subject to a precautionary upper limit of €1.5 billion. This will take the form of loans to be repaid as the Greek economy recovers and will not impact upon our general government deficit position. Our assistance, in the form of repayable loans, will be centrally channelled through the European Commission as part of the agreed euro area package, in conjunction with the International Monetary Fund. The loan facility comes with strong conditionality attached and will require the Greek authorities to address their current fiscal and economic problems.

Looking at the impact of the loan facility programme upon the Greek authorities, they have agreed to introduce a fiscal austerity programme, with the aim of reducing the deficit to below 3% of GDP by 2014. Public spending cuts of €30 billion will be implemented during this period. In order to reduce its debt-to-GDP ratio, Greece will be obliged to maintain a primary surplus on its budget of at least 5% for the next decade. It will be subject to strict monitoring and continuous assessment by multilateral agencies as part of the conditions attached to the loans. These are, by any measure, very strict and demanding conditions and Senators can be assured that they will be subject to ongoing monitoring and assessment.

Looking beyond our immediate difficulties, ECOFIN Ministers have decided to establish a European financial stabilisation mechanism, with a total value of up to €500 billion, to be funded by the European Union and the euro area member states. It will be supplemented by extra funding from the IMF. The mechanism was devised in the context of a perceived background risk of contagion from Greece to other member states. It provides for financial support for member states in response to difficulties caused by exceptional circumstances such as those

being experienced by Greece. In the context of providing for this wider European financial stabilisation mechanism, it is our understanding that enabling legislation may be required.

In conjunction with the development of the mechanism, EU finance Ministers have committed to ensuring fiscal sustainability and enhanced economic growth across all member states. Linked with this objective, the European Commission has presented various reform proposals to reinforce economic co-ordination, including ones to ensure the budgetary policies of member states are consistent with the economic and financial stability of the euro area. As stated, these will form the basis for further discussion in conjunction with the task force being chaired by EU President Van Rompuy. Ireland will be actively engaging with this group. I allay the concerns to which some Senators have alluded, either explicitly or implicitly, in relation to the proposed budgetary reforms. The proposals mark the beginning of discussions on these issues. They are designed to help member states to be better prepared for future crises and as such, should be welcomed. In common with proposals from the European Commission, the process has been designed to float ideas and stimulate debate. The proposed enhanced budgetary surveillance provision has been designed to improve dialogue in the Eurogroup on such issues and is, of course, subject to the treaty provisions. Any policy proposals arising from this process will have to be ultimately agreed by member states and in this context, should not be misunderstood as a loss of Irish sovereignty.

Other initiatives upon which the Council has decided include regulatory and supervisory reform of financial markets and examining the job of ratings agencies. This is in addition to other proposals will ensure the financial sector will pay its share should there be another financial sector crisis.

As our relations with our eurozone and EU partners have grown ever closer, our prospects as a nation have become more economically, politically and socially interlinked with those of our partners. Essentially, the Bill is about European governments safeguarding the stability of the eurozone. In Ireland we have taken credible steps to address our economic and budgetary problems. We are implementing our own fiscal consolidation measures and sending a clear signal of intent to the international investment community that we will not shirk taking the difficult but necessary decisions to correct the budgetary position. In implementing the decisive expenditure control measures contained in the budget, we are firmly demonstrating our resolve to continue along the path of restoring sustainability to the public finances. Already there are mounting indications that we are beginning to turn the corner and that a hard won economic recovery may be emerging.

Question put and agreed to.

Sitting suspended at 1.25 p.m. and resumed at 2 p.m.

Euro Area Loan Facility Bill 2010: Committee and Remaining Stages

Sections 1 to 3, inclusive, agreed to.

SECTION 4.

Acting Chairman (Senator Fiona O'Malley): Amendments Nos. 1 to 9, inclusive, are related and may be discussed together by agreement. Is that agreed? Agreed.

Senator Liam Twomey: I move amendment No. 1:

In page 4, line 16, to delete "year" and substitute "quarter".

[Senator Liam Twomey.]

When we spoke on Second Stage earlier, we said we should consider a new way of doing business. The Government should be as open as possible in responding to this House, not just with regard to this Bill but in many other aspects of budgetary decisions that are being made and will be made in the coming years. It is important the House is kept well informed and is aware of what is happening with regard to this legislation.

There are obvious pitfalls in this bailout of Greece. The Minister stated in his speech earlier that the cornerstone of Greek policy would be budget cuts to reduce its deficit to below 3% by 2014. We have made similar statements with regard to our own budget. Greece is intending to make budget cuts of €30 billion over that time. This is a considerable amount, even in an economy the size of Greece's. It intends to have a budget surplus of 5% after a decade. These are significant targets that must be reached by the Greek Government over the next couple of years in order to fulfil the terms of the agreement it has made with the other eurozone countries.

Ireland has set similar targets for ourselves, but they will be difficult to attain. Our current deficit is greater than we expected. It is important that the House be kept informed on a regular basis of our progress in moving towards these targets over the next couple of years. That is the basis of most of these amendments. The Minister indicated in the Dáil that he would take these points into consideration. Perhaps the Minister of State would like to respond.

Minister of State at the Departments of the Taoiseach, Finance and Enterprise, Trade and Innovation (Deputy Dara Calleary): As Senator Twomey said, this is a similar amendment to those proposed by his colleagues Deputies Bruton and O'Donnell. The Minister, Deputy Lenihan, indicated he would give further consideration to the matter. He intends to look at the feasibility and possible merits of more frequent reporting, for example, on a six-monthly basis. Further legislation on our present undertakings will be necessary; a Bill will be introduced shortly to deal with the European financial stabilisation mechanism. The wider financial stabilisation arrangements were reported by the ECOFIN council on 9 May. This will be an opportunity to consider the reporting provisions and, if appropriate, provide for more frequent reporting in the context of that legislation. We are exactly on course to reach our own budgetary targets in terms of revenue and expenditure, as was predicted in the budget.

Acting Chairman: Senator White has indicated he wishes to speak.

Senator Alex White: I will wait for Senator Twomey to respond.

Senator Liam Twomey: That is all right.

Senator Alex White: The amendments make a lot of sense. A quarterly basis report from the European Commission to the lenders will be available in any event. The rationale behind the Fine Gael amendments is that the Minister should use this as a benchmark for reporting to the Oireachtas. There is a lot of merit to this suggestion, which runs through most of the amendments, although amendment No. 4 provides that a breakdown of the aggregate in respect of each individual advancement to Greece is to be provided, and No. 5 provides for a breakdown of moneys received by the State. Under these amendments, the information is broken down much more satisfactorily than is contemplated in the Bill itself. They would, if passed, ensure the provision of a greater amount of detail to the Oireachtas and ultimately to the public so that we could see on a regular basis precisely what was happening.

The Minister of State has indicated the Minister is willing to alter the provisions set out originally in the Bill. I did not quite catch the beginning of what the Minister of State said. Did he say there would be an amendment to this legislation on Report Stage?

Deputy Dara Calleary: Not at this point. There is more legislation to come in this area and the Minister will consider the issue in that context.

Senator Alex White: I do not think there is another Bill dealing with Greece, although presumably there will be more legislation in respect of the broader fund that is coming down the tracks. I am being led to some extent by Senator Twomey, as they are his amendments, but it would seem to be more satisfactory if the changes could be made to this Bill.

Deputy Dara Calleary: The Minister gave a commitment to Deputies Bruton and O'Donnell yesterday that he would consider the changes and they were satisfied that he had pledged to work with them in this regard.

Senator Liam Twomey: I do not believe the commitment was as clear-cut as what the Minister of State has indicated. Following on from what Senator Alex White said, it would be welcome to see it incorporated in this legislation. If the Minister of State is saying it will be introduced in further legislation, I will not press the amendments, but it might have been more appropriate to include it in this legislation.

Senator David Norris: I strongly support these amendments. It is interesting they were grouped together. This is the only time I can remember in 23 years in the House an entire amendment section taken together but they are related. I regret I was unable to contribute to the previous debate but I had to attend the Sub-committee on Human Rights. A distinguished Afghan woman, Dr. Sobhrang, who will receive an award from Front Line tomorrow, was before the committee and had I not stayed, it would not have been quorate. I got into the Chamber just as the Minister of State started to speak and I regret that. I realise I cannot make a Second Stage speech now but I would like to comment on the amendments.

Since we are taking all Stages today and it is certain that, within the hour, this Bill will be passed, it seems to me to be bad parliamentary practice to take the entire Bill in this way without giving Members an opportunity for real consideration of amendments, for example, on Report Stage. We have had indications that the Government will examine these amendments but I have heard the response in this House many times previously that we cannot deal with amendments at this stage for X, Y or Z reason but Members will have an opportunity at another time. Very often that does not happen and, as Senator Alex White said, this is a specific matter relating to the Greek loan. It is important that these considerations be examined.

For example, the situation is very fluid. Matters change by the day, in fact, by the hour in terms of the response of the market to these issues. Initially, there was a very positive response. That has been rolled back to a certain extent. With regard to the huge principal loan, the €700 million loan——

Acting Chairman: I am going to exercise some control. I ask Senator Norris to speak to the amendments. The fact that he missed his opportunity to contribute on Second Stage does not mean he can do so now.

Senator David Norris: That is why I am concentrating directly and specifically on these amendments. I am very glad the Acting Chairman drew my attention to the necessity for doing that and I will explain to her exactly how I am proceeding.

Senator Alex White: The Senator should be aware that there was a certain amount of shoe-horning of issues in the Second Stage debate earlier, which was quite entertaining.

Senator David Norris: I bet there was. Amendment No. 4, for example, for the benefit of the Acting Chairman, whose judicial qualities and stern command——

Acting Chairman: I am glad the Senator appreciates them.

Senator David Norris: ——of this House I have so often appreciated, seeks to substitute the following: “quarter, giving a breakdown of the aggregate in respect of each individual advancement, confirming the amount of the loan, the net disbursement amount, the term, the redemption schedule, the interest rate payable by the borrower, the funding costs for the State, the disbursement date and any other conditions applicable”. What I had been saying was germane to that because of the way in which things change.

For example, we have all heard various economists and specialists talking in the media about the question of a redemption schedule. Does anybody actually believe it will be redeemed? Many of the economists think it may not be redeemed. I hear that every day on the airwaves. I hope it will be but what about people such as Standard & Poor’s, for example, or Goldman Sachs, which in my opinion is criminally responsible for this mess by collaborating with the Greek Government in concealing what was going on, and doing so for its own financial advantage? Perhaps these groups are gambling against the Greek currency and perhaps against the euro itself. It is necessary that we get updates every quarter on the redemption schedule to know if it will be on target.

It is daft that Ireland, which is pretty well bust, is borrowing money to give to Greece. I accept that is solidarity but we are actually expecting to make a profit on it. What are we at? There is only one reason for doing that and it must be accounted to us every quarter, that is, to get the Greeks out of a hole. We probably will not get it back and we should not be seeking to make a profit on it. How will they give us this additional money? If we feel solidarity we should give it to them at the base level and not look for a profit. That is where we have got to. The market is responsible for this and we should not engage in market principles now that the whole market principle has become a busted flush to anyone who has eyes to see.

Acting Chairman: Does the Minister of State have anything further to add?

Deputy Dara Calleary: No.

Acting Chairman: Is the amendment being pressed?

Senator Liam Twomey: No.

Senator David Norris: When will we take Report Stage?

Acting Chairman: We have to conclude Committee Stage first. It is likely to be quite soon.

Senator David Norris: I ask for direction from the Chair. Will there be a gap between Committee and Report Stages?

Acting Chairman: If amendments are tabled, that would necessitate a gap in the proceedings.

Senator David Norris: In that case, I would encourage Senator Twomey to table these amendments again for Report Stage.

Acting Chairman: That is a matter for Senator Twomey.

Senator David Norris: We could hammer it out at that point.

Amendment, by leave, withdrawn.

Amendments Nos. 2 and 3 not moved.

Acting Chairman: Amendment No. 4 was discussed with amendment No. 1. Is Senator Twomey pressing the amendment?

Senator Liam Twomey: I will withdraw the amendment and submit it for Report Stage.

Acting Chairman: The Senator will have to move the amendment in that case and have it seconded.

Senator David Norris: I will second it.

Acting Chairman: Senator Norris should sit down if he is going to participate.

Senator David Norris: I accept the Chair's ruling and I apologise for any discourtesy. I must indeed be either sitting or standing appropriately in the House.

Acting Chairman: The Senator should only speak when he is called.

Senator David Norris: That is the ruling I got from the Polish tea trolley lady on the Westport train who refused to serve me until I sat down. For you, Madam, I will certainly sit down.

Deputy Dara Calleary: Has Senator Norris joined the Fine Gael benches?

Senator Liam Twomey: I move amendment No. 4:

In page 4, paragraph (a), line 21, to delete "year" and substitute the following:

"quarter, giving a breakdown of the aggregate in respect of each individual advancement, confirming the amount of the loan, the net disbursement amount, the term, the redemption schedule, the interest rate payable by the borrower, the funding costs for the State, the disbursement date and any other conditions applicable".

Senator David Norris: I second the amendment.

Amendment, by leave, withdrawn.

Amendments Nos. 5 to 9, inclusive, not moved.

Section 4 agreed to.

Sections 5 and 6 agreed to.

Schedules 1 and 2 agreed to.

Title agreed to.

Bill reported without amendment, received for final consideration and passed.

Euro Area Loan Facility Bill 2010: Motion for Earlier Signature

Senator Diarmuid Wilson: I move:

That pursuant to subsection 2° of section 2 of Article 25 of the Constitution, Seanad Éireann concurs with the Government in a request to the President to sign the Euro Area Loan Facility Bill 2010 [*Dáil*] on a date which is earlier than the fifth day after the date on which the Bill shall have been presented to her.

Question put and agreed to.

Acting Chairman: When is it proposed to sit again?

Senator Diarmuid Wilson: At 2.30 p.m. on Tuesday, 25 May 2010.

Adjournment Matters

Employment Action Plan

Senator Jerry Buttimer: I thank the Chair for allowing me raise this matter. I welcome the Minister of State, Deputy Calleary. The matter I raise is not just about the announcement by Pfizer this week of job losses in Cork. Over a period it has let go a substantial number of employees in Cork and throughout Ireland on a phased basis. The latest announcement is a devastating blow to the Cork region, particularly to the harbour area of Ringaskiddy and Shanbally. It is a major concern that Cork is now dependent on the farm industry sector. The jobs lost are high-end, high-skilled well paid jobs. It is extraordinary that in this 21st century we are allowing these jobs be lost and allowing the workers from Pfizer to join the lengthening dole queues.

All politics is local, but this is not about politics. It is about local people. In the area of Cork City and Carrigaline there are some 22,000 people on the live register, 4,100 of whom are under the age of 25 — an extraordinary figure. We can add to these another 21,000 in Cork, which gives us a total unemployment figure of 43,000. The Government needs to take action. I understand the Minister, Deputy Batt O’Keeffe, has said that the current job losses are part of the global restructuring of Pfizer, but it is more than that. We need action now, rather than hyperbole or spin from politicians and Government. I hope the response from the Minister of State will inform us of what the Government, the State agencies and the IDA intend to do to attract companies to the Cork area. I hope we will hear of the Government’s plan to sell the two Pfizer plants as a going concern. I also hope to hear what the Government has to say to the highly skilled workers to give them hope they will not have to go abroad to work.

The Minister of State is involved in the public sector and is well aware of the importance and value of a job. It is imperative that as a Government and a nation we start to protect and create jobs. Pfizer has withdrawn for a number of reasons, but some of those reasons are the issue of competitiveness and the cost of doing business here. Our ratings have slipped in a number of these areas and this is a concern. I hope we can stem future job losses. I note the Minister has spoken to the IDA and I hope we will hear now what is happening with regard to exploring the possibility of bringing in other major industrialists to Cork in the scientific and pharma areas.

The multinational sector has been pivotal in our economic growth because of the measures we took in the past. This area must not be lost and forgotten now. What priority has the

Government for the Cork area with regard to foreign direct investment? There is significant access in the north east now, with Dublin and Belfast seen as hubs by the Government. However, what is the future for Cork, the capital of the southern region and its gateway? It seems to have been lost in Government thinking. I look forward to hearing the Minister of State's reply on this major blow to the southern area. It is not just about Pfizer, but also about small and medium enterprises which have lost jobs.

Minister of State at the Departments of the Taoiseach, Finance and Enterprise, Trade and Innovation (Deputy Dara Calleary): I thank the Senator for raising this matter and hope to deal with his specific concerns in my response.

Pfizer's overall plan to cut its workforce worldwide by 6,000 on 14 sites in the next four years is aimed at integrating the Pfizer and Wyeth manufacturing and supply organisations which, following the Pfizer takeover of Wyeth late last year, now have significant overcapacity. That is the main reason for its decision.

The Minister has asked the State agencies to do everything possible to provide training and re-employment services for the 275 workers losing their jobs in Newbridge, County Kildare, and to work with Pfizer to save the other 510 jobs at risk owing to the planned future sale or closure of plants in Cork and Dublin. Pfizer is still a major multinational employer here, with over 4,200 workers, at seven locations, involved in the manufacture of high-end life science products for world markets.

Any potential impact on jobs in Loughbeg and Shanbally will occur from 2012 to 2014. However, the IDA is confident that a buyer will be found for at least some of these facilities and is working closely with Pfizer to achieve this. Both the IDA and Pfizer have been successful in the past, with the sale of Pfizer's animal health plant in Sligo and its Loughbeg API plant and at both locations jobs were preserved.

Pfizer is planning further capital investments and new positions in its biotechnology operations in Ireland. The Government will do all it can to support the company's growth plans.

Cork is definitely not lost in terms of our enterprise strategy but is very much at its centre. In the past ten years direct employment in IDA supported companies in Cork city and county has grown from just under 16,000 in 1999 to 20,000 today. Since 2006 IDA Ireland has approved company projects in Cork, with the potential to create over 4,222 jobs at full operation. Recent announcements of new investments in Cork include Big Fish Games in Mahon, Hovione in Ringaskiddy, Solarwinds in Mahon, Apex Fund Services in Midleton and Marriott International in Blackpool. These projects, in addition to local projects funded through locally-based enterprise agencies, will significantly add to the value and depth of industry in Cork.

Cork has grown in the past decade into a globally recognised location for foreign direct investment, attracting several billion euro in investment by overseas companies. This has been achieved through record investment in infrastructure across road, rail, air, seaports and telecommunications; growth and expansion at UCC, the Tyndall National Institute and Cork Institute of Technology, particularly focusing on the area of research and development; and the emergence of a cosmopolitan and well educated workforce attracted to Cork by the excellent quality of life which the Senator mentioned.

In addition to attracting new foreign direct investment, the IDA continues to work closely with its existing clients in Cork to encourage the expansion of their operations. The success of this is demonstrated by the recent expansion of several companies in the county, including McAfee, Blizzard, Gilead, Boston Scientific, Trend Micro, Alps Electric, EMC, Siemens, DePuy, Arris and Alcon. Enterprise Ireland and the county and city enterprise boards are providing support for indigenous Irish business. Since 2008 Enterprise Ireland has approved €50

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million to client companies in Cork city and county. It has a client base of over 700 companies in County Cork employing about 18,000 people.

The effectiveness of the agencies in job creation must also take into account the indirect effects of their activities, to which the Senator referred. It is generally estimated that the jobs directly created result in approximately the same number of jobs being generated in the local economy. Our priority is to ensure the business environment is supportive of Irish enterprise and export growth and that we continue to attract high value foreign investment. By selling on international markets, we will create jobs and prosperity at home.

Our thoughts are with the workers affected by the Pfizer announcement and their families and on the decisions they must make. They are our priority in providing support and opportunities for them at this time and working to ensure their skills will be made available to other employers as soon as possible.

Senator Jerry Buttimer: The Minister of State ignored the high-end job losses experienced in Cork and the rate of unemployment among under 25-year-olds, which stands at over 4,000. Will he ask the Minister to make it a priority that the IDA work with the agencies in the Cork area and the south to ensure Cork is prioritised, as it is losing out?

Deputy Dara Calleary: The Senator should know that the Minister, Deputy Batt O’Keeffe, will ensure Cork is seen as a very important priority in the weeks to come.

Health Services

Senator Cecilia Keaveney: I thank Senator McFadden for allowing me to raise this issue now.

I thank the Minister of State for attending to respond on the impact the moratorium on public service recruitment is having on district hospitals and nursing units, particularly in Buncrana and Carndonagh. The absence of staff on maternity leave and so forth is putting many local facilities under pressure. I offer as an example Cardonagh Community Hospital in my locality which was the subject of a recent HSE report which offers a flavour of the work it does.

Carndonagh Community Hospital is operated by the HSE. The main hospital was built in 1956 and a badly needed new dementia care unit which has been a great addition to the hospital was added in 2007. The centre provides a broad spectrum of care services to meet the needs of the people of Inishowen and complements the work being done in the Buncrana nursing unit. Its services include short-term assessment, respite, convalescence, palliative care, continuing care and dementia-specific care. A range of services are being provided at the centre which includes a 39 bed residential unit and a 16 bed unit for dementia patients. Accommodation consists of multiple occupancy wards and five single rooms. Two palliative care suites are also available which allow family members to stay with their relatives at the end of life. I commend the voluntary sector for the work it has done, as well as the staff, from the matron Maura Gillen down, to ensure people can remain in the area and be supported by their families and friends to the end of their lives.

The recent assessment shows that the hospital provides occupational therapy, physiotherapy and podiatry services, offers a day care centre, X-ray service and other clinics. A general practitioner and the NOW DOC service also operates from it. On the day of inspection the hospital was catering for 55 patients on-site, of whom 48 were at maximum dependency level, five at high dependency level and two at medium dependency level. The hospital has a vital role to play. It is not just a place where people go to live but is a community hospital, in the real sense, catering for high dependency patients.

The Health Information and Quality Authority, HIQA, report was released in July 2009. Inspectors were satisfied that the health care and medical needs of the residents were well catered for and that good systems were in place to assess their needs. The centre was found to be well organised and managed and the person in charge had a good knowledge not only of the residents in her care but also of the new legislative requirements and her role in that context. Residents and relatives commented positively on the quality of care provided and most were happy with their quality of life, the staff at the centre, the food provided and the daily routine. However, people would welcome more activity, particularly at the weekend, to keep residents as occupied and challenged as possible. When one is dealing with older facilities, there will always be a negative commentary, as in the case of this report.

Four residents and 11 relatives completed pre-inspection questionnaires and a further nine residents and three relatives were interviewed during the inspection. Everybody felt well cared for and gave a positive account of life in the centre. The vast majority had a sense that the staff were more than nurses to the patients; they were friends who sat with them in the middle of the night and comforted them when they did not feel well.

I have tried to give a brief overview. My impression is the one that comes through in the report. The services offered by community hospitals and nursing units within communities, particularly in rural areas, are vital. However, they are under pressure as a result of the moratorium on recruitment. To a certain extent, they are also under pressure with regard to the decisions people can make about where they want to be cared for. If they choose to stay in community hospitals when perhaps they should move to nursing facilities, it could put pressure unnecessarily on community hospitals.

I look forward to the Department's response. There is controversy in County Donegal about the potential closure of the facility in Lifford. We want our community hospitals and facilities to remain open, but if they are allowed to become run down as a result of the moratorium, nobody will be able to replace the homely care being provided at these facilities in rural areas. Coming from a rural constituency, I expect the Minister of State will not think differently on the matter.

Deputy Dara Calleary: I am taking this Adjournment on behalf of my colleague, the Minister of State, Deputy Áine Brady.

We endorse Senator Keaveney's remarks on supporting people, particularly older people, to live in dignity and independence in their own homes and communities for as long as possible. Where this is not feasible, the health service supports access to quality long-term residential care and we as a Government continue to develop and improve health services in all regions of the country and to ensure quality and patient safety.

The Health Service Executive has sole operational responsibility for the delivery of health and social services, including those at facilities in Carndonagh and Buncrana. Senator Keaveney will appreciate that all developments must be addressed in light of current economic and budgetary pressures and have regard to the current moratorium on the recruitment of nursing and non-nursing staff. The HSE has been asked to make a rigorous examination of how existing funding might be re-configured or re-allocated to ensure maximum service provision is achieved. This requires a stringent ongoing review of the application of the resources currently available.

The integrated services directorate is the executive's directorate responsible for the delivery of health care services. I understand that, in line with what is happening around the country, the HSE in Donegal is currently reviewing its use of resources and facilities for residential care in the county.

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The factors relevant to this process in Donegal include compliance with the 2009 regulations under the Health Act 2007 and with the national quality standards for residential care settings for older people, staffing and resource issues, overall residential care needs within the area, the options available in public and private nursing homes and the HSE's capital programme to replace and/or upgrade existing facilities. On completion of the review the HSE will then be in a position to outline any proposed changes arising for HSE facilities in Donegal.

Employment control frameworks have been used for a number of years in the health sector to give effect to Government policies on the number employed in the health sector. The employment control framework for 2010-12 gives effect to our decision on employment policy in the public sector. It provides that there will be a net reduction in employment to 2012. This includes a target reduction in numbers in 2010 to achieve the overall reduction of 6,000 from March 2009 to the end 2012, and consequential pay-roll savings. Based on reductions already achieved in 2009, the net target reduction for the health sector to the end of 2012 is 4,560 whole-time equivalent positions, or 1,520 per annum.

Similar to 2009, there are a number of grades exempted from the moratorium on recruitment in order to maintain key front-line services and to support the development of policies in disability, mental health, cancer, older people and child care. In addition to these exempted grades, the 2010 framework also gives the HSE delegated sanction, subject to meeting the target reduction referred to of 1,520, to fill critical posts, in grades other than management and administrative grades, by way of exceptions to the moratorium. Such exceptions may be made where the HSE has satisfied itself that there are compelling reasons for doing so in order to maintain essential front-line services.

This arrangement supersedes the requirement to obtain the approval of the Department of Health and Children and the Department of Finance for the filling of any vacancy arising in a post in a non-exempted grade. It is, therefore, a matter for the HSE itself to determine the relative priority to be accorded to the filling of such vacancies without reference to either Department. This is provided that it delivers the required overall reduction in numbers and the associated pay-roll savings, and meets the policy requirements in service development posts and exempted grades, as I have outlined. The Department of Health and Children's view is that exceptions should be kept to the absolute minimum in order to achieve the target growth in exempted grades and support the transformation agenda.

At a national level, Senator Keaveney will be aware that significant changes took place within the nursing home sector in 2009 resulting in a single system of registration and inspection for all providers, public, private and voluntary, and a single system of financial support. The net effect of these changes is an assurance to every person in need of care that the same quality standards and the same level of financial State support will apply regardless of which nursing home they choose.

In light of these important changes and in light of service pressures arising from demographic trends, the Department is continuing to work closely with the HSE to examine long-term capacity, quality, staffing and funding requirements.

General Practitioner Co-operatives

Senator Nicky McFadden: I raise this issue relating to the MIDOC service in the midland region. MIDOC is an out-of-hours general practitioner service for the people of the midland region which has been in operation for ten years.

We in the Athlone area have no hospital — Portiuncula is 15 miles away and Mullingar is 28 miles away. We have no primary care unit. This week the HSE is closing our long-stay

residential facility for the elderly. The HSE has reduced the number of hospital services for the elderly. This residential care centre has been reduced to 40 from 200. We have no health service whatsoever in the Athlone area, and now there is a threat to the MIDOC out-of-hours general practitioner service.

This has arisen because there are new tax rules being imposed by the Revenue Commissioners for locum doctors. Up until now, locum doctors were deemed to be self-employed and according to Revenue they are now PAYE workers. They have been recognised as being self-employed for over 100 years.

The MIDOC, with which I am closely associated because I worked in a medical practice, was budget neutral and may even have worked at a deficit. It provided excellent care for the 20,000 people in the Athlone area and now it is under threat.

I am asking the Minister what we will do. The accident and emergency service is under threat. There were ten people on trolleys in Mullingar Hospital the other night. Due to the moratorium, there are beds being closed every week in the midland region. I do not know what we will do. Where will it end? Ultimately, it is the responsibility of the Minister to ensure the future of a high quality general practitioner out-of-hours service for people considering that there is a consistent erosion of our services.

Portiuncula Hospital is under threat, Roscommon Hospital is under threat and Mullingar Hospital is under threat. Post mortem services were taken from Mullingar hospital last month and sent to Tullamore. Recently, there was a case where a post mortem could not be carried out in Tullamore and it was sent to Cavan.

I despair at what is happening to the people of the midlands and our health service. I ask that the Minister of State give me a reply that will satisfy the people in the Athlone area, namely that our MIDOC service will be retained at least to the same standard that we have had.

Deputy Dara Calleary: I am taking the Adjournment on behalf of my colleague, the Minister, Deputy Harney. I thank Senator McFadden for her remarks.

As she will be aware, the provision of general practitioner, GP, out-of-hours co-operatives is an essential part of our health service policy, particularly of strengthening primary care services and ensuring that, to the greatest extent possible, care needs are met in that setting.

Out-of-hours co-operatives allow GPs to manage the provision of urgently needed care for their patients in the evenings, at weekends and on public holidays. It also affords them reasonable off-duty arrangements. While there is no obligation on GPs to participate in these co-operatives, general practitioners contracted by the HSE under the GMS scheme must make suitable arrangements to enable contact to be made with them or a locum or deputy for emergencies outside normal practice hours.

Out-of-hours co-operatives are now in place in most parts of the country. The service can be accessed through a single lo-call telephone number in each HSE region and caters for both public and private patients.

The MIDOC GP out-of-hours service is a partnership initiative between the HSE and GPs in the midlands region. The service commenced in December 2002 in County Laois and now operates through five co-operatives, namely Laois, west Offaly, Athlone, east Westmeath and Longford. This accounts for 90% of the former Midland Health Board region. The only remaining areas in this region not covered by the service are Edenderry, County Offaly, Moate, County Westmeath and Tullamore.

There are currently 101 GPs participating in the MIDOC out-of-hours service, covering a population in excess of 204,000. There are on average 6,100 calls received monthly, 58% of which require follow-up at an out-of-hours treatment centre.

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The co-operatives offer responsive, high-quality services from well-equipped modern clinical centres. All pay and non-pay costs associated with the day-to-day administration of MIDOC are met by the HSE. The budget for the MIDOC service in 2009 was almost €5.2 million, while the national budget for GP out-of-hours services in 2009 was in the region of €100 million.

The HSE published a review of GP out-of-hours services in March 2010. This was the first national review to be undertaken since the commencement of publicly-funded GP co-operatives in 1999. It provided an opportunity to consider the nine national GP co-operatives and the four extended-hours services.

The HSE national review of GP out-of-hours services makes 13 recommendations designed to strengthen and standardise the service across the country. These include a recommendation that the service be extended to cover parts of the country where there is currently no out-of-hours provision to ensure 100% out-of-hours coverage nationally.

I am pleased to advise the House that the HSE has assured the Department of Health and Children it has no plans to curtail or discontinue the MIDOC out-of-hours service.

Senator Nicky McFadden: I welcome the Minister of State's response. Unfortunately there was no reference to the kernel of the issue which concerns the Revenue Commissioners and the tax issue. I ask if the Minister could reply on that issue. The towns of Moate, Tullamore and Edenderry are very anxious to be included in the system.

Deputy Dara Calleary: I will ask my officials to contact the Senator directly with regard to the Revenue question. The question of the provision of services is a matter for the HSE and also for local doctors. I will follow up on the Senator's query in that regard.

The Seanad adjourned at 2.55 p.m. until 2.30 p.m. on Tuesday, 25 May 2010.