

Northern Ireland Affairs Committee

Oral evidence: [Future of the Land Border with the Republic of Ireland](#), HC 700

Wednesday 8 February 2017

Ordered by the House of Commons to be published on 10 February 2017

[Watch the meeting](#)

Members present: Mr Laurence Robertson (Chair); Mr Gregory Campbell; Lady Hermon; Kate Hoey; Danny Kinahan; Jack Lopresti; Dr Alasdair McDonnell; Nigel Mills; Mark Pritchard; Jim Shannon.

Questions 429-465

Witness

Daniel Mulhall, Ambassador of Ireland to the UK

Examination of witness

Witness: Daniel Mulhall.

In the absence of the Chair, Kate Hoey was called to the Chair.

Q429 **Chair:** Good morning. Can I, on behalf of the Committee, welcome you very warmly to give us some evidence this morning and apologise for the lateness of our Chair? He had another very important meeting. He will be along as soon as possible. Ambassador, I just wondered if you wanted to say just a few words, first.

Daniel Mulhall: Yes, I will just say a few words, if I may. First, as a historian I am intrigued to be in the room where, in 1890, the Irish Party met for five days. I hope we will not be here for five days. Unless the questions are very long, we will not be here for five days, but it was probably the most significant meeting in Ireland's parliamentary history, before 1922 when the Irish Party split. That was about a divorce as well of course, so there might be some similarities and parallels. Apparently there were some loud and vigorous exchanges. I am sure we will be following a different pattern here. In fact, I tweeted a quote for you this morning from WB Yeats: "And may the thoughts of Ireland brood / Upon a measured quietude". It is the measured quietude we need in the current debate, rather than the vigorous exchanges that took place in 1890.

Anyway, thank you very much, Chair and Members of the Committee. The last time I addressed you here, I very much hoped that I would not need to see you again on this topic, but thank you for inviting me again to explain our position now that the Article 50 process is about to be triggered.

As you will know from my earlier remarks, we never wanted the UK to leave the EU and we regret that this has come to pass. While this situation is not of our making, the UK's exit from the EU poses very real challenges for Ireland. There is no doubting that. Indeed, it is widely recognised that Ireland will be uniquely affected by the UK's exit from the EU. This is because of the special circumstances that apply to us: the fact that we have the only land border with the UK. What is more, Brexit will bring to an end a very productive Irish-UK relationship as EU partners, one that has served us well for 44 years. This is regrettable from our point of view, but we need to deal with the world as it is, in the wake of the June referendum result, and not as we might like it to be. Our aim is to minimise the downside impact of the UK's exit on Ireland, on north/south relationships in Ireland and on our currently thriving relations with our nearest neighbour here in Britain.

At the same time, we would naturally seek to avail of any upsides from this situation, such as the possibility of attracting some of the economic activity that may need to find a post-Brexit location within the European Union. This is a pragmatic response on the part of the Irish



HOUSE OF COMMONS

Government to managing the downsides of Brexit and responding to the reality that some companies will feel a need to move. For those who do plan to move, we believe that Ireland is the best place for them to operate, where we can provide an ideal setting, with our highly educated English-speaking population, a location within the single market and an environment proven to be conducive to investment. Notwithstanding this potential upside on the investment front, whatever way we look at it, Brexit represents a significant problem for Ireland and we will spare no effort in coping with its consequences for us and indeed for our relations with Northern Ireland.

With regard to the impact on Ireland, I have to say that several aspects concern us particularly. First, we want to preserve the mutually beneficial trading ties we have built up with the UK and, within that frame, we want to maintain and develop the business links between north and south in Ireland. North/south trade amounted to more than €6 billion in 2014, when Northern Ireland had a substantial surplus of some €2.7 billion. Exports south of the border amount to 36% of Northern Ireland's exports, while sales to Northern Ireland represent just 2% of our total exports, which suggests to me that there is potential for economic relations to grow further; 2% is probably on the low side for neighbouring jurisdictions on the same island. Because of the importance of bilateral trade to Ireland and to our relations with the UK, we welcome Prime Minister May's commitment to seek the closest possible trading relationship with the European Union after it leaves the Union.

Our second concern relates to the border in Ireland. It is universally acknowledged that the open and virtually invisible border that exists at present confers benefits on both parts of Ireland and on all communities in Northern Ireland. I am not aware of anyone, whatever their view might be of the Brexit process, who thinks that a hardening of that border would be an acceptable outcome to this development. The Taoiseach and the Prime Minister, as recently as last week, made clear their shared determination to maintain the current mutually advantageous border arrangements that exist. This will mean avoiding barriers to the movement of people and of goods. The Taoiseach has said that any manifestation of a hard border will have very negative consequences, and that is obviously the case across the board, but in particular for those people who live close to the border.

I acknowledge that the arrangements with regard to customs will be complicated to tie down, as they will be affected by the shape of the new overall trade and customs regime to be negotiated and agreed between the UK and the European Union, which will apply after the UK leaves the EU. From our point of view, we wish to see the UK developing a customs arrangement that keeps EU-UK trade "as frictionless as possible", to use the words of your White Paper. This will support our aim of avoiding barriers to the further development of economic links between north and south in Ireland. As I said, those links could be stronger and ought to be stronger, given the geographical realities of our situation.



HOUSE OF COMMONS

Our third concern relates to the common travel area between Ireland and the UK, which existed long before our EU membership and which we want to see continue to operate as it does today, after the UK leaves the European Union. We were glad to see a commitment to maintaining the common travel area included as one of the Prime Minister's 12 key objectives in her recent Lancaster House speech. The common travel area, of course, is more than just a free travel zone between east and west; it is also between north and south. It guarantees, in addition, the right of Irish people to live and work in the UK, and it confers reciprocal privileges on British citizens in Ireland. Both Governments are fully committed, I believe, to maintaining these arrangements into the future.

In addressing these issues, we are very conscious of the interplay between Brexit and political developments within Northern Ireland, which obviously are a concern to us, as co-guarantors of the Good Friday Agreement. The facts of the matter are that the majority of people in Northern Ireland voted to remain and that the two parties that comprise the former Northern Ireland Executive adopted opposing views in the referendum. This is something that we are well aware of. Nevertheless, in the latter part of last year, good progress had been made in developing a shared approach between the Irish Government and the Northern Ireland Executive, in terms of how the challenge of Brexit for the island of Ireland might be managed. It is very important that, following the current Assembly elections taking place on 2 March, a new power-sharing executive should resume this vital engagement, with a view to securing the best possible outcome for everyone on the island of Ireland. It is essential that Brexit does not affect the Good Friday Agreement and that the people of Northern Ireland can have confidence that this will be the case. Given the commitment of the two Governments to the objectives I have set out, we are confident that they can be achieved, though this will of course depend in part on the wider UK/EU negotiations.

Our Government have, since the referendum outcome, been in systematic and intensive contact with our EU partners and with the European institutions. This continues. We have sought, I believe successfully, to sensitise them to the very particular circumstances that prevail in Ireland and the need for creative solutions to the problems created in Ireland by Brexit. We are encountering great good will and support. It is very significant and positive, I believe, that the chief EU negotiator, Michel Barnier, has made clear that addressing these issues to do with Ireland will be a priority for his negotiating process. Ireland will remain a member of the EU into the future, and we therefore have a vital interest in the future success of the European Union. This means that we will be on the EU side of the table during the coming negotiations. As I have said before, this will not be a bilateral negotiation between our two countries.

This is not to deny the very great continuing importance for Ireland of the British market and, of course, our most positive relationship that exists at



HOUSE OF COMMONS

the moment with the United Kingdom. That will continue. Those things will continue. It is why a close relationship between the EU and the UK, which places the minimum barriers possible to continuing trade and co-operation in so many areas, is a key objective for Ireland. We want agreement on a new EU-UK relationship that reconciles the UK's requirements, arising out of last year's referendum, with the collective interests of the remaining member states of the EU, including Ireland.

This is a challenging brief, but it is one to which we will apply ourselves with care, dedication and determination in the months ahead and in the years ahead indeed. We need to do so if we are to avoid damaging consequences flowing from Brexit, including for the future of the border in Ireland. Our Government, I would say, have made a huge effort over the last year, both in the run-up to the referendum and also in the months since the referendum to gear up our system to manage this very complex situation. It is more complex for Ireland perhaps than for any other part of the European Union, other than the United Kingdom itself. Thank you very much for your attention and I am happy to answer your questions.

Chair: Ambassador, thank you very much. I think that is a very helpful beginning. I welcome back the Chair and bring in Lady Hermon.

Mr Laurence Robertson took the Chair.

Q430 **Lady Hermon:** It is very good of you to come back to see us again, Ambassador. That was a very interesting opening statement, full of strong statements on behalf of the Irish Government. They give rise to a number of issues, unsurprisingly. The Prime Minister Theresa May visited Dublin on Monday of last week and claimed that there would be a border "as seamless and as frictionless" as possible. How on earth is that going to be possible?

Daniel Mulhall: Of course, we have to remember that what we are entering into now is a negotiation. I have been involved in these negotiations before, most notably at the time of the Lisbon Treaty when we in Ireland needed to negotiate a special arrangement for Ireland, prior to the second Lisbon Treaty referendum. I know that EU negotiations are complex and they take a long time, but my sense is that they have a capacity to reach decisions that can accommodate the diverse interests of all involved. Now of course it will not be a straightforward business to achieve what we want to achieve, but I think that both of our Governments are on the same page in relation to what we want to see, which is essentially as close as possible to the status quo. We of course acknowledge that Britain is leaving the EU, so there is a challenge there to maintain the benefits that have flowed from the open border in Ireland in a situation where the UK will be leaving the European Union.

Q431 **Lady Hermon:** Could we just tease that out a little bit. As you quite rightly said, the UK is leaving the EU. The decision has been made. The referendum has been had. Differences of opinion were very strong, but



HOUSE OF COMMONS

the country has made the decision, so the UK will be leaving the EU. You have made it quite clear that the Republic of Ireland is remaining within the EU. The UK is coming out of the customs union.

Daniel Mulhall: It is up to you to interpret, but my understanding is that the Prime Minister said that Britain wanted to negotiate a special customs arrangement.

Q432 **Lady Hermon:** I think that in fact it has been made clear that the UK is coming out of the single market and coming out of the customs union. Having had the very helpful evidence last week from Mr Lux, who has worked in customs for such a long time within the Commission, how can it be that there will be a frictionless, seamless border?

Daniel Mulhall: First of all, there are two points that need to be dealt with when it comes to the border between the north and south in Ireland. The first is the movement of people. Now, there has never been any control on the movement of people. It does not matter how far back you go in history. The movement of people is not completely straightforward, but it can be managed. It would be completely anathema and would be a complete turning back of the clock to have any controls on the movement of people in Ireland. I do not believe that will be necessary. As I said in my statement, I accept that customs is more complex.

Lady Hermon: It is, yes. Thank you.

Daniel Mulhall: It seems to me that, whereas the movement of people issue is essentially a bilateral issue between the UK and Ireland, the customs issue is of course not exclusively a bilateral issue. It depends on the context that will be set by the negotiations on customs arrangements. I listened to the Prime Minister's speech—I was in Lancaster House for it—and I read the White Paper. I can see that, while the Prime Minister said that Britain wanted to leave the customs union for the purpose of the common external tariff, in order to be able to negotiate its own agreements with other countries, there was a desire to have the best possible customs arrangement with the European Union. That is what the negotiations are about. Nobody at this stage can say how those negotiations will end up. Obviously there has to be some customs regime. How light that regime will be or how heavy it will be is a matter for negotiation between the two sides.

Q433 **Lady Hermon:** Will you accept that the Republic of Ireland does not have legal competence to negotiate a special arrangement with the UK? That competence remains with the EU.

Daniel Mulhall: The competence to negotiate on matters of customs and trade rests with the European Union. What I am saying to you is that nobody, including the witness you had last week, can tell you what kind of customs regime is going to emerge from these negotiations. There is then a special situation in Northern Ireland, because nowhere else between the EU and the UK has a land border. I think there are special circumstances that apply in Northern Ireland, and what we have been



HOUSE OF COMMONS

doing over the last six months is to sensitise our European partners and the Commission to the fact that this land border in Ireland is not like anywhere else, because the rest of the border between the UK and the EU has to go either through the Channel Tunnel, across the sea or by air. This is a special set of circumstances and we will be looking to find arrangements that, as the Taoiseach says, avoid any manifestation of a hard border. Sitting here at this stage, I cannot say what that final outcome will be, but we are working to avoid any manifestation of a hard border and that obviously includes customs arrangements.

Q434 Lady Hermon: The Republic of Ireland does not have competence to negotiate a special arrangement with the UK. That has been confirmed.

Daniel Mulhall: We will be part of the European Union negotiating team.

Lady Hermon: There are 27 countries in the negotiations.

Daniel Mulhall: We will be arguing that, whatever the overall customs regime might be between the UK and the EU, between Dover and Calais, between Tilbury and Rotterdam, it is a difficult situation that applies on the island of Ireland, because of traditional links between the two parts of Ireland, because of the political context in which this border between north and south is situated and because it is the only land border between the UK and the EU. Remember that your witness last week was speaking as a customs officer. I am not a customs officer; I am a diplomat. The job of diplomats is to try to make things work, rather than to tell you how they cannot work.

Q435 Lady Hermon: In fairness to the witness last week, I think he was also explaining the legislation that applies and that the Republic of Ireland remains within the EU and therefore EU law will apply. The witness, Mr Lux, also suggested, and I would like you to comment on this, that one possible solution—he was not advocating this but was just suggesting it as a possible solution—was that there will be joint officials in border posts. Perhaps British officials would be in a border post in the Republic of Ireland and they would be shared or, alternatively, Irish officials would be in Northern Ireland at a shared customs checkpoint. Has that been discussed behind closed doors? Could you tell the Committee whether that is a realistic suggestion?

Daniel Mulhall: First of all, the negotiations between the EU and the UK have not even begun yet. There have been some discussions between our own Government and the Commission about issues—not just this one, but including this one. There have clearly been discussions between the British and Irish Governments. I mentioned in my speech that our Government and the Northern Ireland Executive are working hard together.

Q436 Lady Hermon: Has this issue been discussed?

Daniel Mulhall: I would say that our contingency work is examining all scenarios. It is not appropriate or helpful to try to pre-empt the outcome



HOUSE OF COMMONS

of these discussions at this stage. I am not aware of that particular proposal, but I know that there is a lot of detailed work going on within our own customs authorities and obviously within the British customs system as well, because Britain will need to develop its own regime, not just with Ireland, but also with the rest of the European Union. All the scenarios are being looked at. Technical work is going on. The aim of it all is to arrive at a situation where we avoid any manifestation of a hard border.

Q437 Lady Hermon: Is it a possibility? That was very diplomatic, as I would expect from you. You are a seasoned diplomat and that was a very diplomatic response, but is it a possibility? Is it a runner?

Daniel Mulhall: I am not aware of that particular proposal being on the table and discussed. I simply do not know if it is a runner or not. It seems to me that we will be looking for the best solution possible that avoids creating problems. I am particularly concerned, by the way, not about the big companies that will have systems and procedures. I am worried about the small operations, small businesses close to the border and farmers. I know that 10% of the milk we process comes from Northern Ireland and I know that 35% of Northern Ireland's milk is processed in the south, and that there are a number of movements of animals across the border on a daily basis.

I am concerned and we are concerned to ensure that those very positive links and connections between the two parts of Ireland are not stymied as a result of Brexit. That is why our firmest intention, our firmest aim, is to work with the British Government, with the Northern Ireland Executive and with our European partners. European partners are not in the business of trying to create problems for us, by the way. They will be looking for solutions. I am not worried about our partners telling us, "Sorry, we cannot help you". They will be looking. They understand our situation. Our Minister for Foreign Affairs has had 80 engagements with his European partners in the last six months. They know this issue. I will not say they know it back to front, but they certainly know it better now than they did six months ago, when they were probably unaware of this particular issue as a challenge for the EU and for the UK, when it comes to making a reality of Brexit.

Q438 Lady Hermon: We will come back and I am sure colleagues would want to tease out some of the information that you have just given to us. Much has been said about the common travel area and much was said in the run-up to the referendum about the common travel area being in place before the countries joined the EU. Of course, the UK and Ireland joined on the same date of the same year. Now we have the difficulty of one of those countries, the UK, leaving the EU and of course the Republic of Ireland is staying in the EU. The situation has changed. You have the common travel area, yes, but of course the Republic of Ireland is bound to accept the free movement of people from all the other member states within the EU. When people from other EU member states arrive into the Republic of Ireland, quite legitimately and properly, what is stopping



HOUSE OF COMMONS

them proceeding into the United Kingdom, if we have a frictionless, seamless border, as the Prime Minister claims that she wants and the Irish Government have agreed? How do you deal with that?

Daniel Mulhall: My answer there is that the free movement principle is actually not about free movement per se. It is about the right to live and work legally in another member state. I am old enough to remember a time and have travelled at a time before the single market was created and before the free movement principle, as it is called in EU treaty language, became a reality. There were no visa controls between the countries of western Europe at that time, back in the 1970s and 1980s, before the single market was created.

The issue here is really the issue of the right of EU nationals to live and work in the other 27 member states, or the other 26 member states as it will be after the UK leaves the European Union. My firm view is that the vast majority of European citizens who want to live outside their own country—and most people do not after all; most people want to stay at home—want to live legally in that country. They want to be entitled to work, to access education for their children, to buy a house, to settle down, not to be running from the law, to access health services and to access social welfare services, if they require them.

The issue really, after the UK leaves the EU, will not be about access for Europeans. I have not heard anybody here suggest that you are going to have visa requirements for people coming for short-term visits to the UK, after Brexit. A small number will not have the right to live and work legally in the UK. I assume there will be some procedure for giving people the right to live and work here after Brexit. For those who do not qualify to live and work in the UK, who can work in any other European country, including Ireland, France, Germany and so forth, why would they want to come to the UK and live illegally? A small number might want to do that. Why would they bother coming into Ireland in order to travel across the border and then into the UK, at much greater expense for themselves and, I suppose, much greater prospect of them being found or caught? Why would they do that when they could fly into Stansted or Luton, or come by ferry into any of the British ports?

Q439 **Lady Hermon:** Sorry to interrupt, but the claim that the Prime Minister wants to take back control of the borders has been a theme repeated often by Government Ministers. How exactly are the UK Government going to take control of the border between the Republic of Ireland and Northern Ireland, when the Republic remains in the EU?

Daniel Mulhall: I read the Prime Minister's speech and I saw the White Paper, and my understanding is that the intention is to maintain the common travel area, which means that they will not be taking back control of that border.

Q440 **Lady Hermon:** The common travel area applies to which citizens?



HOUSE OF COMMONS

Daniel Mulhall: It applies to British and Irish citizens travelling back and forth between Britain and Ireland or indeed between the north and south of Ireland.

Q441 **Lady Hermon:** We are talking about EU citizens coming to the Republic of Ireland quite legitimately. They arrive into the Republic of Ireland. What stops them proceeding to the UK?

Daniel Mulhall: Nothing stops them proceeding to the UK but, if they try to live and work in the UK, they may be breaking UK laws, depending on what laws you put in place here. It is not for me to advise on what regime will be put in place here. The key thing is that the free movement principle is not about the right to enter a country. It is about the right to settle, to live and to work in that country. That is a key distinction that you have to make.

Lady Hermon: Yes, I do know that. I am well aware of that. Thank you.

Q442 **Chair:** Can I apologise to your Excellency for being late and apologise to the Committee? I had a very important meeting with the Transport Secretary, and I absolutely had to be there. Can I just touch on the evidence we had last week, which you referred to? It was very interesting, but it was sometimes perhaps difficult to distinguish between what is possible and what is undesirable. Now obviously certain things would be undesirable, but they are possible. In other words, a good trade relationship between the United Kingdom and Ireland is possible. Is that your view? You take a rather more optimistic view than our witnesses last week, it sounds.

Daniel Mulhall: My experience as a diplomat, having been now almost 40 years in this profession, is that diplomacy and international negotiations exist in order to find agreements and compromises. Of course, it means that everyone who is involved in the negotiations must be willing to find agreement and compromise. The Prime Minister has said in her speech, which I heard a couple of weeks ago, that the UK will be going into the negotiations looking for possible outcomes and I believe that the European Union will also be. I would like to scotch this notion that there is some kind of agenda in Europe attempting to punish the UK for its aberrant behaviour. No, I think there is a desire and a determination to ensure that the European Union can continue to do its business after Brexit, and that the deal and future relationship does not undermine the European Union in some way. It is clear that, as the UK is now a member of the European Union, it has the advantages and responsibilities of membership. If it ceases to be a member, it cannot have all of the advantages of membership. There will be a difference between membership and non-membership, but that is not the same as having an agenda around Europe to punish the UK.

The point about it, of course, is that the EU has not yet taken a position on Brexit. It is only when the Article 50 letter is received around Europe



HOUSE OF COMMONS

that there will then be a discussion within the 27 states about how we are going to respond to this, and we do not know yet. We have individual indications and noises from various quarters, but I would not take those noises too seriously. You have noises of various kinds in this country as well. This is typical of a situation that arises before a negotiation starts; you have a lot of talking off stage. Once that negotiation starts, then it is all about trying to find solutions, if they can be found. By the way, I am not saying that it is a straightforward process; by no means is it.

Chair: No, but it is not impossible

Daniel Mulhall: It is complicated, but it is achievable. There is a space there, which I can see, where an agreement might be reached. It is a question of finding the political will. We earnestly hope that this space for an agreement is located and in such a way that will minimise the negative consequences for Ireland, for Irish-UK relations and in particular for north-south relations in Ireland.

Q443 **Danny Kinahan:** Ambassador, you are very welcome here. I have masses of questions, but one of them is that we talk about a frictionless or seamless border but, when it comes to security, we were told at the BIPA meeting in Belfast the other day that we could not have a better relationship between both security forces either side of the border. Can you guarantee that that, even during the transitional times in the negotiations, will remain as good and even better, and able to be improved as we work together?

Daniel Mulhall: As you know, the Garda and the PSNI work very closely together on an ongoing basis, across the full range of policing issues, in order to ensure the safety of all communities on the island of Ireland. The Garda Commissioner and the Chief Constable have repeatedly stressed the value of this relationship and its importance in saving lives, reducing crime and promoting community safety. In both jurisdictions I believe, but certainly from our point of view, there is a determination that, whatever happens, we will continue this close working relationship.

By the way, that relationship is not just between the police forces. Clearly the immigration authorities also work closely together. I can remember, back in my time in New Delhi in the 1980s when I was a very young diplomat, I was aware that there was close co-operation between the immigration office of the British Government in Delhi and our own immigration authorities in Dublin. That has continued over the years and it has had to be the case because, if you have a common travel area, the one thing you have to do is to make sure that the external borders of that common travel area are managed in such a way that both parties can feel secure that who comes into either country is not going to create a problem for the other country in the partnership. There is very close co-operation. For example, most recently last year, new arrangements were put in place for advance passenger information.



HOUSE OF COMMONS

My understanding also from the White Paper and from the Prime Minister's speech is that the British Government wish to be involved in the justice and security co-operation into the future. That will clearly be one of the issues that will need to be dealt with during the negotiation. Whatever happens in the European framework, I believe that there is a strong commitment on both of our parts to ensuring that the closest possible co-operation exists in the future between the Garda and the PSNI, and between our respective immigration authorities. These are essential things when you have a geographical situation like ours or a common travel area, and you have an open border between north and south.

Danny Kinahan: Thank you. I really wanted to push that it is never used as an excuse by either side that we cannot do something because we have not agreed it yet. That is what I was really working for there, so thank you.

Daniel Mulhall: We have opted out of JHA, but we opt in regularly. We have a choice. If anything were to arise that would cut across, I cannot imagine how that would ever happen because, after all, the whole basis of the European Union's JHA, and security and justice co-operation, is to make things more difficult for criminals and to make things better for law enforcement and for the administration of justice. Nobody has any interest in cutting across the kind of close co-operation that exists between our two police services. Even if they did, Ireland would have the option to absent itself from that particular co-operation, because we are not obliged to be involved in all of the JHA areas.

Q444 **Danny Kinahan** There are many people who feel that the Good Friday Agreement or the Belfast Agreement is being broken because of the Brexit vote, which I do not agree with. Can Ireland use all its influence to make sure that the EU backing for it remains in place, so that there is no threat to the Good Friday Agreement?

Daniel Mulhall: Yes, there is an absolute determination on our part to ensure that the Good Friday Agreement is not in any way affected by Britain's departure from the European Union. The Good Friday Agreement is an international agreement between our two countries and, as far as we are concerned, we would not accept any situation where the Good Friday Agreement would be undermined in any way, but I cannot see where that danger comes from. After all, our partners in Europe take a degree of pride in the Good Friday Agreement, because they know it happened within the context of both of our countries being members of the European Union. Now, you could argue the case about how much influence EU membership had on the peace process. Who knows? It certainly had some. I think there is a consciousness around Europe that the Good Friday Agreement is something that Europe can be proud of. It is an issue that was there for a long time as a problem, which has been resolved through the effect of the Good Friday Agreement. I do not think anybody in any European capital would want to jeopardise the Good Friday Agreement because of Brexit.



Q445 **Nigel Mills:** Can we just go back to the free movement of people, Mr Ambassador? When you were last here a few months ago, you said that Ireland had taken some reasonable efforts to try to ensure that Ireland's immigration policy did not diverge too far from the UK one, so that the common travel area was not put under pressure. Is that a fair reflection of what you said a few months ago? I do not want to twist your words too much.

Daniel Mulhall: The situation is that the common travel area is valued by both of our countries. We work closely together to ensure that the common travel area functions to the benefit of both of our countries. In particular, we act together to ensure that whoever comes into the common travel area is someone who is acceptable to both of our countries and both of our jurisdictions. Let me tell you that one of the manifestations of this co-operation between our two immigration systems is the fact that, for the last couple of years, Chinese and Indian visitors to our two countries get one visa. The biometric data is shared to ensure that we are happy that those who come in are people who we want to have visiting our countries and they do not pose any risk to our interests. That is the nature of the relationship between our two systems. There is certainly a determination on our side to continue to manage the common travel area in a way that enables it to continue delivering benefits for both of our peoples and both of our countries.

Q446 **Nigel Mills:** You think it would be very unlikely that Ireland would choose to join Schengen, now the other EU member that opted out of Schengen is leaving.

Daniel Mulhall: I know of no proposal for us to join the Schengen area, nor is there any particular pressure on Ireland. In my previous career around Europe, I have sometimes been asked the question, "Why are you not a member of Schengen?" in a slightly pointed way. I just explain the common travel area and Northern Ireland, and people readily understand that rationale for not being part of Schengen, so I do not believe that there is any pressure on us to join Schengen, nor am I aware of any proposal for us to do so.

Q447 **Nigel Mills:** Effectively, as long as both the UK and Ireland are content to rely on each other's immigration procedures to a certain extent, stopping undesirable people getting through, you would not see any reason for either country to want border checks.

Daniel Mulhall: No, I do not. We trust each other and rely on each other greatly, and we have done so for nearly 100 years. There has been this co-operation between our two systems on the control and management of the common travel area. I think it has worked very well, I have to say. The common travel area offers great benefit to both of our countries and both of our peoples. The fact is there are 700,000 born on the island on Ireland—obviously many of those were born in Northern Ireland—who are living in Britain, and there are 125,000 British people who were born in Britain who are living in Ireland. It has worked



HOUSE OF COMMONS

well and I do not see any reason why we would want to change something that has worked so well. Remember, Brexit is a relatively small issue when it comes to the common travel area. Clearly the risks to the interests of both of our countries would mainly come from people coming from outside the common travel area, who might be wishing to become illegal immigrants or whatever. I do not think it arises to anything like the same extent for European citizens.

Q448 Nigel Mills: I guess what I was trying to get to was that presumably as long as there is proper information-sharing—that the Irish are happy to share that this individual coming on a flight from who-knows-where may be somebody on your watch list—and as long as that information can keep being shared, there would be no reason for us to worry about people who are landing in Dublin who might end up in Northern Ireland or something. It is that kind of information-sharing that we need, is it not?

Daniel Mulhall: The advance passenger information of course provides for the British authorities and the Irish authorities to be given or to access information on those who are travelling between our two countries. Of course, if people pop up as being of interest, there is a sharing of that information as well. I believe that the system works well and there is a continuing desire on both parts to refine the system, in order to ensure that it continues to deliver a secure common travel area for both of our countries, where everyone who gets into either country is not going to pose a threat or a risk to the other country, in this relationship. I do not believe that Brexit will change that situation greatly, although it will of course mean that we will always give the right in Ireland to European citizens to live and work in Ireland. What you do with European citizens' right to live and work in this country is a matter for you to decide, after you leave the European Union.

Q449 Nigel Mills: Absolutely. Can I just ask you about one scenario, which perhaps need some thought as to quite how we tease it out? Let us say that proposals went ahead to give Turkish citizens visa-free access to the European Union. Presumably Ireland may well be obliged to comply, but it might be unlikely that the UK will rush to do that after we have left the European Union. I presume it comes down to exactly how worried the UK is about Turkish nationals getting in without a visa. Those scenarios make this a little bit harder than just thinking about EU nationals.

Daniel Mulhall: All I would say about that one is that we will cross that bridge when we come to it, as my mother used to say. Of course, you can imagine scenarios, but it seems to me that we have to rely on the good sense of everyone not to create problems of a kind that would generate particular difficulties for us. We have to deal with these issues. I am not aware of any proposal along those lines. Of course, we do not know what the future will be like, but we have to be confident of our ability to manage the future. If we can manage Brexit and the economic and financial crisis, I think we can manage future scenarios as well.

Q450 Nigel Mills: I have one last simple question. Do you think there is any



HOUSE OF COMMONS

realistic prospect of Northern Ireland getting a special status deal, different from the rest of the UK? I said it was a simple question; I did not say it had a simple answer.

Daniel Mulhall: Everything we have done since June of last year—the Irish Government and our diplomats all over the world—has -been to knock on doors in European Union capitals, in Brussels, in the institutions of the Commission, Parliament and the Council, to highlight for them Ireland’s special circumstances, but also to make the point that we are remaining in the EU. It is our firm decision to remain in the EU. In particular, we have sought to emphasise the special circumstances that prevail in Northern Ireland. I believe that we have had a very positive response.

Let me say that, as I mentioned in my speech, the fact that Michel Barnier, the chief negotiator, has included Ireland as one of his priority topics for the negotiations that will start in a month or so suggests that we have been quite successful in highlighting the special circumstances of Northern Ireland and of the border in Ireland. We have a case where there are special circumstances. I do not think anybody would deny that. Wherever they stand on the spectrum of opinion about the rights and wrongs of Brexit, I do not think anyone would deny that there are special circumstances in Northern Ireland. That then implies that those circumstances need to be accommodated and need to be dealt with in ways that may require special arrangements to be made. This is why I say that, whatever happens on the customs front, there may be a need and there may be a willingness to have some special arrangements, because it is a land border and because a lot of the trade that goes across that border is in particular areas. It has a local impact, but it may not have an impact on the single market as a whole.

Q451 **Nigel Mills:** You seem there to be envisaging some sort of relaxed customs inspection process, rather than Northern Ireland staying in the single market and Great Britain leaving the single market. I guess what I was trying to see was whether you thought there was any realistic prospect, if the UK wanted it—I suspect we probably do not—Northern Ireland could get a completely different settlement from what Great Britain gets.

Daniel Mulhall: I would prefer to focus on special circumstances and find practical ways of dealing with those special circumstances. For example, take the PEACE programme and the INTERREG programme, which are very valuable to both of us. That is a special circumstance that does not exist in most parts. In fact, it does not exist anywhere else, really. The question for us would be that we would like to see the benefits flowing from those programmes to be continued. Therefore, can we find a special set of arrangements that do not have systemic relevance, but are such that they enable the benefits from those programmes to continue flowing to people on both sides of the border? Special arrangements and special circumstances would be my response to the particular issues that arise in Northern Ireland.



HOUSE OF COMMONS

Q452 **Dr Alasdair McDonnell:** Thank you very much, Ambassador, for your very detailed and helpful presentation and remarks so far. You have touched on Michel Barnier a couple of times and you have touched broadly on Irish Government preparations. Are there any further details perhaps, which you have not touched on or had a chance to touch on already, in terms of preparations?

Daniel Mulhall: I am certainly happy to do that. In my nearly 40 years now as a diplomat, I have not come across any issue that has galvanised our administration in the way that the Brexit issue has done. I could give you a number of examples of what has been done. We have engaged in a very deep analysis of the impact of Brexit. We have 11 working groups across Government, and analysis and research has been commissioned. Remember that this is a very complex situation. This is the undoing of a 44-year partnership between the UK and the EU and, in particular in this case, between the north and south of Ireland.

There are lots of things that might not be obvious to the naked eye but, when you look into them, you discover that the issues involved are quite complex. We have commissioned and we have been working on very deep analysis on 11 working groups. We have identified top-level priorities: trade and the economy, Northern Ireland, the common travel area and the future of the European Union. We have identified risks and looked at potential mitigation efforts. We have been seeking to identify opportunities because, while I would say that Brexit would be a loss for Ireland overall, there are opportunities on the upside, including attracting some investment into Ireland.

In financial services, for example, we had 600 people from the financial services industry in Dublin last month for the European Financial Forum. Our Minister for Finance has mentioned that the IDA has already had 100 enquiries from companies potentially looking to invest in Ireland post Brexit. We have ongoing meetings with industrial and civic society, and there is an all-Ireland dialogue going on, as you know, with 14 sectoral discussions currently taking place. All are very well attended, I would say. The aim of this is to reach out beyond the political system and the public service, and get in touch with people who can give us a real insight into the day-to-day problems at the coalface. We are meeting with our partners and there is a new unit within the Department of the Taoiseach, headed up by a very senior official dealing with Brexit. We have strengthened the Department of Foreign Affairs in Brexit areas as well. Across Government, there is a real focus on Brexit, which I believe will deliver the best possible outcome for Ireland. Of course, the best possible outcome for Ireland would be for the UK to stay in the EU. We know that that is not possible, so we have to look at the next best option, from an Irish point of view.

Q453 **Dr Alasdair McDonnell:** You mentioned the all-Ireland dialogue there. I attended one meeting of that. Will there be a second meeting shortly?



HOUSE OF COMMONS

Daniel Mulhall: There is a second meeting next week. There have been sectoral dialogues taking place—industry, agriculture and so forth. I understand that those are going very well. I did not attend the first dialogue, but I had very positive reports on how it went. There was a general feeling that a very good and open dialogue took place. As you will remember, it was not just a political discussion, but had people from a wide range of walks of life. That process is continuing and will continue into the future.

Q454 **Dr Alasdair McDonnell:** What is the expectation of the outcome of that dialogue?

Daniel Mulhall: The expectation is that it will inform our Government's understanding of the detailed issues that arise for people who are dealing with these issues on the ground. We need to make sure that we take on board the interests that are there, which will be identified through the civic dialogue.

Q455 **Dr Alasdair McDonnell:** I have one final quick point, Chair. One of the great stress points of a lot of the evidence we have heard so far, which surfaced a bit at that first dialogue meeting, was agriculture. You yourself mentioned milk, and milk is probably at the cutting edge of the agriculture crisis that arises, because some milk crosses the border three, four or five times as it is processed or as development takes place. How do you see the agricultural sector playing out? It is not just milk; pigs from the south move north for slaughter and processing. Lamb from the north goes south for slaughter and processing. Beef moves in both directions, depending on availability. Have you any idea or can you make any suggestions at this early stage in terms of the agricultural sector, or is that basically too speculative?

Daniel Mulhall: That will again be part of the negotiations between the UK and the EU. There cannot be separate British-Irish negotiations on that subject, but we have again been very active in raising awareness in Brussels and around Europe of the particular circumstances that apply in Ireland when it comes to agricultural products and the food industry generally. That is one area where I think the economies of north and south have been more fully integrated and developed, in conjunction with each other. Therefore, there are clearly particular challenges that arise in the area of agriculture and how those special challenges for Ireland and for the border area will be dealt with.

Again, this is a special situation with special circumstances. It seems to me that we need to work on practical ways of ensuring these very beneficial contacts are protected. This is different from major trading relationships that exist around the world. This is vital for local industry. If you have a pattern of trade whereby you sell your milk to a creamery on the other side of the border, no one would want to disrupt that kind of process from continuing to benefit the people involved into the future. It goes in both directions, by the way. There are animals, milk and so moving back and forth across the border, as it should be. That is as it



HOUSE OF COMMONS

should be. The fact is that this pattern has been established and we need to find ways of continuing that mutually beneficial activity into the future, notwithstanding the new circumstances that will arise when Britain leaves the European Union.

Q456 Jim Shannon: Can I just say that, when I listen to the views of remainers within this Committee and indeed outside this Committee, you could almost judge them not to want the border to work at all. We do want it to work. Therefore, Ambassador, it is refreshing to hear your comments in relation to how it will work and your positivity in relation to how we are going to do that. Indeed, you could almost be tempted, Mr Chairman, to say welcome back to the Commonwealth, but that is a subject for another day and we will leave it at that.

Last week, we had the opportunity to discuss these issues. The honourable Member for South Belfast made the comment about how the milk will move across the border. Chairman, last week I asked a question of the two EU representatives here. The Lakeland Dairies are in my constituency. They move milk. It comes across the border from south to north, then it goes back across to be processed and goes back across again to be packed, further processed, then to be sold and exported, so there is movement across the border. The response that the EU officials gave was a very good one, Mr Chairman. They talked about how there may be extra administrative work to be done, but they clearly indicated that the possibilities of how that would happen would not unnecessarily hold up traffic coming across the border.

I got the impression from their response, Ambassador, that there is quite clearly a willingness to make it work. If we look at the body language and the verbal discussions with the Prime Minister and Taoiseach, there is an indication from both that they wish to see it happen. I am very keen to get your thoughts, if you can expound them. I presume that you have had a chance to see the contribution from the EU officials last week. I think it was quite helpful to where we are going and how it is going to work.

Chair: Sorry, can I just make a slight correction? They were not actually representing the EU. They were academics specialising in that subject, just to be clear.

Jim Shannon: The other reason why I want to make a comment as well is in relation to fishing, and the Ambassador will probably know this. When it comes to the enforcement of regulations from Europe, the UK Government were very stringent and very regulatory, in relation to what they did for the fishing sector in Northern Ireland, whilst when it came to fishing issues the Republic of Ireland, with respect, were more practical on how they really worked on the ground. I have given examples of how things can work if you have the mind set. We have moved from 23 June of last year. Ambassador, can you give your thoughts upon how you see things working?



HOUSE OF COMMONS

Daniel Mulhall: The point I would make here is that this situation has never arisen before, so there is no precedent for the Article 50 negotiations across the board, but there is also no precedent for changing arrangements that have successfully operated, in our case with milk and so on going across the border, probably for as long as that industry has existed. It seems to me that I do not believe our partners or the Commission are going to be trying to create problems for, in European terms, these modest quantities of trade across the border, but we have to find a practical solution and that will require some creative thinking on the part of ourselves, the British Government and the EU Commission. This is a problem. We do not want to create difficulties. We do not want to see jobs lost; we do not want to see the peace dividend undermined by an unnecessarily strict insistence on a particular regime.

It seems to me that there is always flexibility within the European Union context to make things work in particular circumstances, and this is a very particular set of conditions that apply in Northern Ireland, and in particular the fact that this is an age-old trade that has been going on since even before both countries joined the European Union. It has developed happily during our EU membership to the point where we now have a very sophisticated dairy industry, north and south of the border, with standards that are the highest in the world. No one, least of all people from Ireland north or south, would want to see those advantages squandered and poured down the drain.

Q457 **Jim Shannon:** We need each other. Very quickly, my last point is on the issue of the land border. Obviously the Republic of Ireland's land border with us and the United Kingdom is very important as well. I am presuming from your answers to the questions that we have given to you so far that you are of the opinion, Ambassador—and it is an opinion—as other members have referred to, that it is almost as if that the rest of the countries are all going to gang up on you. Can you say whether there has been an opportunity for yourself to have some discussions with the other European countries that you are with, just to gauge their opinion in relation to the border? It is very important. Your very refreshing answers to the questions today have been quite good for us and for me personally, from a Brexiteer point of view, and I am very pleased with that.

Daniel Mulhall: I do not underestimate the difficulties of this process, because it has never been done before. EU negotiations are extremely complex, because you have to try to reconcile the interests of 28 member states, 27 in this case because Britain will obviously be on the other side of the table. That is going to be difficult. There is always potential for things to go awry, of course. My sense is that, at the moment at least, through the efforts of the Irish Government and the British Government as well, our partners have a reasonable understanding of the need to be careful not to do anything to create problems in Ireland, on the border and for the political process in Northern Ireland. That is understood.



HOUSE OF COMMONS

Do not get me wrong: we will need to continue to talk to them and ensure that they continue to understand how important it is to be sensitive, to be creative and to be willing to make allowances for an unusual situation that exists between the north and south in Ireland, and indeed between Britain and Ireland, with the common travel area. There is no such thing in any other European situation, so these are unique circumstances and we have to keep working with our partners to ensure that they continue to be willing to be accommodating of our concerns.

In talking to my colleagues here, what I have noticed is that they are a lot more interested now than they were before. I get a lot more queries now. I get a lot more of my colleagues coming to me to ask me to give them a briefing or give them a rundown. Clearly, because they are covering Northern Ireland from here, they visit Northern Ireland and they are asked by their ministries to advise on the detail of this situation, so I am getting a lot more contact. So far, I have no impression that any of my colleagues here or their Governments are looking to throw a spanner in the works and make life difficult for Ireland.

The fact is that this is a new situation. It has never happened before. While I believe that there are good prospects of an outcome that both sides can live with and there is every reason to believe that we can find creative solutions for the particular problems that exist on the island of Ireland, between north and south, to avoid negative consequences, I am still of the view that there will be some negative consequences. The key thing is to minimise those consequences, rather than to be constantly thinking only of the worst-case scenario. Of course the worst-case scenario is a possibility, but the aim of diplomacy and of politics, I assume, is to try to avoid worst-case scenarios and arrive at a best-case scenario, having regard to the fact that you will be leaving the EU and we will be staying. That creates an issue anyway, but we have to try to minimise the negative consequences of that new reality.

Q458 Chair: Of course, the maximum two-year negotiation period will presumably start on 1 April, if Article 50 is triggered in March. At the end of that, regardless of what is agreed or not agreed, it will not be the end of the world, will it? International agreements can be changed. They can be revisited and all sorts of things can continue to happen. If, for example, something was found not to be working satisfactorily, presumably it can be looked at again.

Daniel Mulhall: The Taoiseach has said that we would share the view of those who want to see some transition arrangements put in place to avoid negative consequences in the immediate aftermath of the UK leaving. Let us see what happens.

Q459 Chair: I do not so much mean transitional. We can get an agreement. We come out of the EU and then, let us say in five years' time, we have further discussions with the EU, because we have further discussions with countries across the world. We say, "It's not quite working", maybe to France's satisfaction or to Germany's satisfaction. "We want to just have



a look at this. We want to tweak this or that.”

Daniel Mulhall: Once you are not a member of the European Union, you are clearly in a position to negotiate with whoever you want, including the European Union, if there are issues. No doubt the future will be different from what we expect it to be and there will be issues that arise, which will probably require further negotiations. You might even decide to re-join the European Union at some stage.

Chair: As you may the Commonwealth.

Q460 **Mr Gregory Campbell:** You made the point that has been made to the Committee by others in written submissions. We have the business of there being no scope for negotiating individual customs union between the UK and Ireland bilaterally, which is what you alluded to. You also talked about the uncertainty regarding negotiations not having begun yet. There is another certain, which is that we do not know what is going to happen in the EU. There are at least three sets of elections, in the Netherlands, France and Germany, and anybody who second-guesses elections had egg on their face twice in the past eight months, so we do not know what that is going to look like, so that is a double-sided uncertainty. I want to come to this business of the difficulties that anyone who wants to implement some form of checks may be faced with. It is the case, and you can correct me if I am wrong, that of your Government, our Governments, your people and our people, none of them want the borders of the past, the hard border, etc. Everybody is agreed on that. If there is one, who is going to implement it?

Daniel Mulhall: The Taoiseach has said quite clearly that any manifestation of a hard border would be a very negative development, and I think we all agree with that. In fairness, I have not come across anyone here in Britain—and I have spoken to people from every conceivable political point of view—who has said to me that they have any desire to see that border hardened. For the movement of people, it seems to me that, when Britain becomes a third country, then immigration arrangements between a member state and a third country are essentially a matter for the member state concerned. We are not bound by any European competence in the area of what we do. For example, if we decide that we want to give all Australians the right to live in Ireland for two or three years, or whatever—and we do have arrangements with various countries, obviously reciprocal arrangements for people to come—that is a matter for us. External immigration controls for non-EU nationals are a matter for Ireland and I do not expect that to change in the future.

I do not see how, in terms of the movement of people, where the demand, other than from Ireland and the UK, will come from for checks on the movement of people across that border, unless you started to get large numbers of people fleeing Britain because of the impact of Brexit and wanting to come in the European Union. That is a joke, just in case you were in any doubt. In other words, I do not see any situation where



HOUSE OF COMMONS

the border in Ireland is going to become like what the borders have become in other parts of Europe, where there has been a real problem with people wanting to come in and measures have had to be taken. I do not see anything like that happening in Ireland.

When it comes to customs, of course, it is not something that Britain and Ireland can unilaterally decide, unless of course the EU were to give Ireland the authority to go away and negotiate a special arrangement. That is unlikely again, but the EU will negotiate with Britain on the new partnership agreement that may be devised post-Brexit. I assume that will include something on customs. That agreement could include a special dispensation or set of arrangements to apply in Ireland. Therefore, I do not see any situation in which anything is going to be imposed on us. Whatever the outcome of these negotiations is, we have to manage that outcome. Of course it is possible that the negotiations may not come to a successful conclusion, but we have to manage that situation if and when it arises. I say we jump that fence when we come to it.

Q461 Mr Gregory Campbell: If we stick to the potential customs arrangements, there have been all sorts of scare stories, discussions and commentaries made about what could, might or will happen on the border. Given the hundreds of crossing points that there are on the border, is it your view that the EU understands the magnitude and the difficulty that there would be if some extraneous group of countries demanded that there had to be something in place to monitor goods movement?

Daniel Mulhall: Here are the figures that I have for border crossings: lorries, 177,000 per month; light vans, 208,000 per month; and cars, 1.85 million. I am told that these are indicative figures and further analysis is required. It may be that even those figures do not pick up the sheer scale of it.

Mr Gregory Campbell: I did not mean the volume of crossing. That would be controllable if that were going through five, six, eight or nine formal crossing points.

Daniel Mulhall: There are over 200 crossing points.

Q462 Mr Gregory Campbell: That is the point. That is precisely the point: there are over 200 crossing points. It would be virtually impossible if someone demanded that there had to be close monitoring and customs posts. Where are the tens of thousands of customs officials going to be based at all these crossing points to ensure this ludicrous, impossible hard border is going to be put in place?

Daniel Mulhall: That is really the starting point for all of this. You cannot do what is impossible to do and you have to find alternatives. I have always said this and we have said it as well. It is simply not possible. Even if someone wanted to, with the effort involved I do not think it is remotely possible to think in terms of having a border that



would really control every movement of people and goods across that border, so we have to find practical solutions.

Q463 **Mr Gregory Campbell:** Do the rest of the EU agree with the assessment that you have just made?

Daniel Mulhall: We have certainly been knocking on doors. We have been pounding the boards all over Europe to alert people to this situation and the fact that it is not like there is a mountain range between north and south in Ireland, or a big river that happens to mysteriously and magically go along the border, where you could imagine you could have a small number of control points across that border. This is a border that is invisible. Apart from the time when there were security requirements, which we hope are a thing of the past and we hope will never come back again as a requirement, this is a border that is simply different from most other borders that Europeans might be familiar with. We have to accommodate that reality. I think our partners are showing themselves to be sensitive to the particular circumstances that apply in Northern Ireland.

The other factor is that everyone in Northern Ireland will be entitled to an Irish passport and therefore entitled to be an EU citizen. That is another unusual situation, which does not apply in Kent, Dorset, Cornwall or even in Scotland actually.

Mr Gregory Campbell: There are quite a few people in the Irish Republic who are now applying to the British Embassy for British passports.

Daniel Mulhall: I do not have those figures, but I know that the number of passports we issued in Britain last year went up by 40%. The number of foreign birth registrations, which are applications for citizenship through a grandparent, went up from 600 to more than 5,000, so there is a lot of this happening. In Northern Ireland in particular, everyone is entitled to be an Irish citizen if they want to be. I know that the number of passports issued in Northern Ireland last year went up by 20%, so there was a rise. It was not quite the same. That is probably because more people in Northern Ireland had them anyway, so there was not a likelihood of the same percentage increase.

My sense is that our partners, while they might not know the ins and outs of the situation in Ireland—how could you expect them to when we even have trouble keeping tabs on it ourselves?—they do understand the broad lines—“les grandes lignes”, as the French say. They understand the broad situation that exists: that there is a peace process. There is a political process that they now know is a little bit fragile, because of what has happened in the last month or so. They know that the Good Friday Agreement makes Northern Ireland different from anywhere else in Europe. They know that the border is a sensitive thing, not just economically but also politically.



HOUSE OF COMMONS

At this stage—and I stress “at this stage”, because these negotiations will become more complicated as time goes on, and we will have to make sure that Northern Ireland, the issues that are so dear to us, to you and to me, and to all of our people who are influenced by these things, will remain front and centre in the negotiations. That is why it is so valuable that Michel Barnier has said that he wants to deal with the Irish issues in advance. That is good because, if they are dealt with in advance, put aside and left there until the overall deal is done, it means that they do not become a subject of horse trading. I do not believe that any of our partners would try to horse-trade with Northern Irish issues but, nonetheless, it is a good sign that the Commission has been convinced by ourselves and by the British Government to treat Northern Ireland as one of the priority issues that needs to be dealt with upfront, rather than left to be dealt with at the last minute.

Q464 **Chair:** On that score, you would recognise the fact that the Prime Minister places great importance on this relationship, as was highlighted in the White Paper, on a separate chapter.

Daniel Mulhall: I was present for the Lancaster House speech. I was sitting directly in front of the Prime Minister. I do not think she saw me, because she was looking out at the crowd.

Chair: I am sure she did.

Daniel Mulhall: That is good. I was quite pleased to see the commitment to the common travel area as the fourth of the 12 objectives. We have made the point that we are very happy that this is something that the British Government share with us: a desire to see the closest possible relationship continuing to prosper in the future, notwithstanding the fact that Brexit will introduce a new set of circumstances, which will be challenging for Ireland in particular, for Irish-UK relations and for Northern Ireland.

As I said at the beginning, as a diplomat, inevitably and usually, apart from now, my glass is half-full. The essence of diplomacy is that you do not give up. I can remember my involvement for a few years in the negotiations that led to the Good Friday Agreement. There were times when it looked as if the whole thing was going down the tubes, and there was enough determination to make it work.

In my experience, the EU has shown itself to have the capacity to find solutions over the decades. Every time we have a negotiation on the financial perspectives for the following five or seven years, it looks as if no solution is possible and, hey presto, magically, when the moment comes, someone comes up with a solution. The various objections are gradually whittled away and a deal is possible. I have seen that happening time and time again. I am hopeful, but obviously it is not entirely in our gift. The British and EU Governments collectively have to find that political will to reach an agreement that will satisfy the needs of



HOUSE OF COMMONS

both sides and will satisfy the particular needs of Ireland, north-south relations and the border in Ireland.

Q465 **Lady Hermon:** I have two very quick points and I do mean very quick points. A former Irish Ambassador, Ray Bassett, floated the idea that perhaps the Irish Government should consider their position within the EU. Is that a runner, or was he wrong? Could we have a short answer, please?

Daniel Mulhall: He was wrong. I do not see any political constituency for it, unlike here where there has always been a strong scepticism about the European Union, even from the very beginning. No political party in Ireland has espoused this idea. The latest opinion polls suggest that 86% of the public in Ireland are happy about EU membership. Our Minister for Foreign Affairs actually dealt with this issue and, because I do not like criticising former colleagues directly, I will just use the Minister's words. He said, "Debate is always healthy and there can be no taboos". This is Charlie Flanagan speaking about a week ago, "But the arguments we have heard are flimsy and misconceived... The Irish economy depends enormously on our membership of the single market and the customs union. This is true both for inward investors and indigenous companies. It is simply inconceivable that we would have been remotely as successful outside the Union. The volume of Irish exports to the 26 other member states of the Union is now more than twice that to Britain."

My point is that, in 1973, nearly 60% of exports went to the UK. Now it is 15%. That means that we are now far less dependent on the UK. Our population has risen from 3 million to 4.7 million. That is a sign of success. Our GDP per capita has gone up from two-thirds of the European average in 1973 to 115% now. We are now among the most successful and most prosperous countries in Europe.

Chair: I am afraid I am going to have to release members.

Lady Hermon: That was very helpful. That is what I was hoping you would say, so I am very pleased with your reply.

Chair: Members have to go. I am terribly sorry to cut in there. Ambassador, it has been a very, very interesting session and I think the whole Committee will be heartened by your optimism and the fresh thinking you are bringing to this. Thank you very much for joining us. I dare say we will carry on a conversation at Cheltenham in a few weeks' time but, in between times, thank you very much for joining us.