



ALAN KELLY T.D.

15th May 2020

Micheál Martin TD and Leo Varadkar TD,
Dáil Éireann,
Dublin 2.

Dear Deputies,

Thank you for your letter of 10th May 2020. I have discussed your response with my parliamentary colleagues.

Covid-19 is an unprecedented challenge to our people and despite stark policy differences between our parties, the Labour Party will be constructive and continue to support the national effort to contain this epidemic and rebuild our society.

I welcome your acknowledgement of our view on government formation. There are four parties with more TDs in the Dáil than the Labour Party, and any three of those can form a government with a majority.

We are all agreed that the first task of the next Government will be to formulate a National Economic Plan on how best to rebuild our society and economy. However, it is now clear to us that you have adopted a united position on future fiscal and economic policy that is at odds with the approach of the Labour Party.

While it is your stated goal to achieve a “well resourced, properly functioning and responsive State”, our view is that it is premature and unrealistic to rule out using taxation to achieve this. Such a stance does not match with the vision you outlined to us.

The Framework Document included ambitious policies such as universal healthcare, housing for all and a green new deal. It is hard to see how we can rebuild and improve public services without some change in taxation and more extensive borrowing to maintain demand and capital investment in the economy until at least the end of 2021. A lack of clear direction on the Covid-19 pandemic unemployment payment is also of concern to us. Workers in affected sectors that have borne the brunt of the national effort to tackle Covid-19 cannot be left behind in the months to come.

I am also surprised and disappointed that you did not attempt to address the 21 principles that I outlined in my response to you, as you gave a clearer indication of your views on the Green Party's 17 issues. The failure to do this indicates a gap, at present, between Labour's vision for Ireland's future and your own.

Due to the differences outlined above, and as there are now detailed negotiations underway on government formation between yourselves and the Green Party, I recommended to our Parliamentary Party today that at this time we would not take part in formal discussions on a Programme for Government.

It was our united view that your talks with the Green Party should now be given the space and time to reach a conclusion as if successful, such a government would command a majority in the Dáil. Should your position change on the issues I outlined above, I would look forward to hearing from you.

Yours sincerely,

A handwritten signature in blue ink that reads "Alan Kelly". The signature is written in a cursive style with a long horizontal stroke at the end.

Alan Kelly TD