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Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister has
already seen.
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CDP 107K.

Dear Charles,

Anglo-Irish Relations: Northern Ireland

The Foreign Secretary considers that the Prime Minister may be interested by the section on the Forum Report (pages 16-25) in the enclosed copy of Dr FitzGerald's speech to his party conference on 6 October, which was given to us by the Irish Ambassador yesterday. Passages of particular interest have been sidelined.

You will see that Dr FitzGerald, while stressing his belief that there is now "a very real chance of progress" on Northern Ireland (p 25), is at some pains to play down expectations of an early British response to the Forum Report (e.g. pages 20 and 21: "... it is more important that the British get it right than that they respond within a particular space of time"). He also pays tribute to "the seriousness with which the British Prime Minister, Mrs Thatcher [is] approaching this problem" and refers extensively to Mr Prior's speech in the House of Commons on 2 July (pages 19, 20 and 24), including Mr Prior's acknowledgement of "the validity of our [the Irish] right to speak on behalf of Northern nationalists".

Finally, Dr FitzGerald makes a particular point of welcoming recent signs of flexibility on the part of the Unionists (p 22) and stresses the Irish Government's determination to respect the rights of the majority community in Northern Ireland "including their right to have any decision that would affect the constitutional position of Northern Ireland determined by a majority of its citizens" (p 23).

I am sending copies of this letter and enclosure to the Private Secretary to the Secretary of State for Northern Ireland and to Sir Robert Armstrong.

Yours ever,

Len Appleyard

(L V Appleyard)
Private Secretary

C D Powell Esq
10 Downing Street

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EMBARGO 9.00 PM

ADDRESS BY AN TAOISEACH DR. GARRET FITZGERALD T.D. AT THE
Fine Gael Ard Fheis Saturday October 6 1984

"Securing Ireland's Future"

Prime Minister

Pages 19-26 deal
in rather helpful terms
with Northern Ireland. But
expectations are being
created.

INTRODUCTION

I am addressing you and the people of Ireland at the end of a
period of weeks which I can bluntly state have been the most
difficult I have faced since I became leader of this party and
Taoiseach of this country.

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That period is now behind us. Last Tuesday saw the the end of
months of waiting while the National Plan, 'Building on
Reality' was being completed. We have now passed out of this
first, most difficult, phase of our Government term, during
which we were securing Ireland's present. This week we have
taken the action needed to secure Ireland's future.

I speak to this Ard Fheis and this country with a message of
hope - hope based on realism.

The decisions you have heard this week, and they are decisions,
not proposals, and the measures you will see taken in the
coming months, will succeed because they have been firmly based
on reality and because they will be implemented with courage
and determination and unity by Fine Gael and Labour in
Government.

We have been attacked for being peddlars of gloom; we have
been attacked for giving no hope. But I say now to those who

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belittle our determination to put this country right - and we have heard some of these in action during the last few days: we have faced the truth, we have told the truth, and we will allow nothing to stop us from implementing the measures which will make this a better country to live in. And so we can now give hope - realistic hope. Ireland deserves realistic hope and will reject the begrudgers who, for whatever political motivation, refuse to join with us in acting with courage in defence of the interests of the Irish people, and who persist in attempting to cast a cloud over the future that now unfolds before us.

Remember that our Economic and Social Plan is not a Fine Gael plan; it is not a Labour plan; and it is certainly not a Fianna Fail plan, although it is a way forward!

It is a national plan decided by a Government which the people of Ireland have elected to govern them. Its decisions - some of them difficult and controversial have been made, not to court popularity in the short term, but to do nothing less than guarantee our future as a country, no matter what government may be in power after 1987 - and I am reasonably certain, as you are, what government that will be.

I say to our political opponents and to those who do not support the Government parties: we, Fine Gael and Labour, take full responsibility for the decisions, tough as some of them are. But in implementing them, we need your help and will

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welcome constructive criticism. May I add that no responsible Irish man or woman can, with a clear conscience, stand by and refuse to join in the national effort now launched. All can and should, share in this work and all will be equally entitled to share in the rewards.

Since I entered politics twenty years ago, at the height of the Lemass era, the task of governing this country has never been tougher. But let me assure you here and now that my determination to succeed has never been greater. As far as I'm concerned, our future begins now!

I lead a Government that by 1987 will have transformed the economic, social and political shambles which we inherited two years ago. We will have transformed it into a country where every man, woman and child can say "I am proud to be Irish".

We have been through what is often termed the political "silly season", when political stories and actions are occasionally inflated and exaggerated. Mind you, I do not exonerate our Government from some measure of clumsiness in handling policy decisions during the Summer, although I believe that last Tuesday we more than retrieved any such errors of judgement.

Being in power is not about making things look good, much as that pleases us: being in Government is not about securing the

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nation's affection and applause, agreeable though that is. Being in Government in Ireland in 1984 is a tough grind, as any Fine Gael or Labour Minister will tell you. It involves protracted study of complex problems, full discussion on how to resolve them, followed by decisions - often painful. And it involves - it must in our society involve - placing all the cards on the table: telling the people precisely what we propose to do, telling them the good news, and the bad.

But politics is about even more than that. It is about having an overriding motive, a firm conviction that what you are doing is leading somewhere in the long run. It is about having a vision.

The vision with which I entered politics has had to be tempered by the harsh reality of finding myself at the head of government during a period when the living standards of the vast majority of people in jobs have been declining. But despite the strains and pressures this has created amongst our people we have been able to maintain the living standards of the underprivileged minority, many of whom, in our society, still suffer intense deprivation. Unlike so many other countries in Europe, we have protected the less fortunate amongst us, and in our National Plan we have been able to take additional steps, for example, to help the education of children in disadvantaged areas and to introduce a progressive

Child Benefit Scheme. This is a source of great pride to me. And to be the Leader of a Party, and of a Government of two Parties that both share this commitment, so unusual in the materialist world of the mid 1980's, is a matter of deep satisfaction.

For that is why our two Parties, despite a different perspective on some issues, are in Government together. We share the same aspiration for social justice, and the same determination to resist pressures of vested interests which could be conciliated only at the expense of the poor and the under-privileged.

I take this opportunity to pay tribute to Dick Spring and the other Labour Ministers for the full and constructive part they have played with us in making our country's future secure. Together we have moved it, even during difficult times, towards the kind of vision of society which we fundamentally share.

We are united in our determination to implement the Programme for Government and the National Plan, "Building on Reality", based on that programme. With pride in our achievements we will face the electorate when that Programme and that Plan have been implemented - and not before, as the Leader of the Opposition conceded on television last Tuesday night!

B. THE PLAN

The National Economic and Social Plan, 'Building on Reality' has been long needed and impatiently awaited. It marks the second phase of our term in office. Before speaking of it, I want to remind you of what the Government have achieved in our first 22 months, most of it indeed, since I last addressed you a year ago during a time when that Plan was under arduous preparation.

- Inflation is now down to below 8%, from the 20% of 1982.
- The decline in employment of 40,000 in the past four years has been halted.
- The Enterprise Allowance Scheme has already helped 3,500 unemployed people to set themselves up in business and the number of applicants is rising weekly.
- A new Industrial Policy has been launched.
- We have saved the Irish dairy industry from the threat of severe cut-backs and have preserved its capacity for expansion.
- There has been a comprehensive crack-down on tax avoidance.
- Borrowing has been reduced by two-fifths by comparison with the level that faced us when we took over in mid-1981.

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- The purchasing power of Social Welfare payments has been increased significantly and a Family Income Supplement has been introduced to assist 35,000 families on low wages.
- A Rent Tribunal has been established to deal with disputes between landlords and tenants.
- A radical reform of our educational system has been undertaken.
- New Oireachtas Committees are, for the first time, giving not only Government backbenchers but also members of the Opposition a constructive parliamentary role.
- We have, after many years of promises by successive Governments, brought to an advanced stage a Criminal Justice Bill and a Misuse of Drugs Bill. And we have initiated a promotional system in the Garda Síochána free from political interference.
- Promotion on merit across the civil service has been introduced at the highest levels.
- A new Bord Pleanála, free of political interference in its composition, has been established.

- We have appointed Michael Mills as Ombudsman.
- An Bord Post and An Bord Telecom have been established.

These are just a few of the solid achievements of the past twenty-two months and I make no apology for listing them; we are too often conscious of our failings than of our successes in this country and are quick to forget our achievements.

But, beyond all these reforms there remains the fundamental problem of achieving a recovery in the living standards of those at work, which have on average been cut by almost 10% in the past four years, and of taking effective action to help those - over 200,000 - who are out of work. Families must still be fed and clothed; children leaving school face ever-increasing competition for what has been until recently a decreasing number of jobs.

It is to address these real, everyday problems, which are far more real because they confront so many people from the moment they wake up each morning, that the National Plan has been produced.

I want to tell you exactly why this long and seemingly unending process of planning was necessary before we could get to the

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stage we have reached this week. If you want to design a house, or build an extension to a house, you must employ an architect, builders, craftsmen; you watch the foundations go up, the rooms taking shape. It is a tedious but essential process. This country is like a house the future of which has had, over the past seven years, a number of different architects, including, most recently, myself.

The fact that there have been four changes of leadership of the country since 1979 has meant that until now no Government has had the necessary time in office to study, research, and decide on how to pull this country out of the chaos into which it was led in the late 1970's. That is why, on taking office, I set up the independent National Planning Board whose advice the Government has, in this Plan, largely accepted. The National Economic plan is the result.

Through this Plan, 'Building on Reality' you, and all our people, now know just how the economic and social policy of this country will develop, and the details of how the Government propose to spend your money, Department by Department, until the end of our term of office in three years' time. Never before has this been the case; no other Plan has ever 'come clean' with the people in this way.

No one will like all the decisions that have been taken. Most

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people will find something, perhaps a number of things, that they strongly dislike, because it will mean an extra sacrifice. We have seen the early reactions of various sectors: trade unions, farmers, employers. They have welcomed some sections and rejected others. But they must realise - I believe that they do - that this Plan, like the country, is a unit. It stands or falls in its entirety. There is no room for picking and choosing the bits that particular interests like or dislike.

It is on that basis that it will be put by the Government to Dail Eireann; and it is in its entirety that it will be implemented. To everyone in the country I say this: we have not forecast imaginary growth rates or recklessly promised specific time spans for eliminating unemployment. We have balanced the problems we have to face, above all, unemployment, against what we can achieve; we have balanced the wishes, the legitimate concerns of various interest groups - PAYE workers, farmers, social welfare recipients - against the necessity to confront these problems. We have sought advice widely, and taken much of it. And we have now taken the necessary decisions. The facile jibe of indecisiveness, levelled against us by some, is seen now to be hollow to the core. We have acted. As a result you, and the country, know where you stand.

The plan meets the most pressing needs that confront us, in the areas of unemployment, taxation and public spending:

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- First, not only will employment be created and sustained by the measures we have taken, but the Plan provides substantial new measures to ease the present effects of unemployment particularly among the long-term unemployed and among young people. For a country with the largest young population in Europe, and with so many people out of work, many of them for well over a year, some indeed for years, this boost to national morale cannot be underestimated.

- Second, the recent rapid rise in the burden of taxation has been halted. We are now setting out to redistribute that burden in the fairest possible way.

- Third, the share of what we produce absorbed by public spending is being reduced - not in a savage or socially harmful way, but sufficiently to allow us to reduce substantially our borrowing and thereby to release more tax revenue for creating employment. Instead of the State using up, as in the past four years, more and more of an unchanging amount of national resources, it will now take nothing extra out of a growing volume of resources leaving the whole of our extra national output free for the improvement of living standards and for investment in our future.

- Fourth, despite scarce resources, social policy in health, education, welfare and housing is further developed by this Plan - contrary, I believe, to many people's pessimistic expectations. Thus, for example, resources devoted to education - schools, colleges, numbers of teachers, and help for pupils - are being increased significantly, with a re-direction of much of these resources in favour of the under-privileged in accordance with Fine Gael's fundamental commitment to social justice. This Government are committed to spending more in this vital area of education than any of their predecessors in the history of the State.

This Plan is governed by the overriding need to get value for the money you pay in taxes, through reducing the cost of administering our public services - thus reversing the traditional pattern of cuts in times of adversity which in the past have always involved cutting the services, and leaving the administration intact.

You do not need to be told by me that unemployment is the most serious problem facing the country at present. I want to address myself directly to unemployed men and women, and their families who share their frustration. Every day I get letters from all parts of the country which confront me with the extent of that despair. Some of you blame me directly, some of you blame the Government, many of you blame politicians in general

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- and many of you blame no one, but, simply seek help in your desperate plight. I ask you, in your bitterness and misery, which I appreciate, to accept my pledge that this Government will do all in their power to reverse this trend. In the Plan we have prepared I believe we have given hope to many of you. Hope through the policies which will create 20-25,000 new self-sustaining jobs for workers in manufacturing and in services. Hope through an Enterprise Allowance Scheme, which has already helped 3,500 unemployed people to become self-employed - a figure increasing by 100 every week. Hope by providing a new Social Employment Scheme for over 10,000 other long-term unemployed, and new industrial cum/training jobs for a further 2,500.

At the same time we are providing the capital for schemes in such areas as road construction and educational building that will employ several thousand additional construction workers. It is this Government that will dust off the JCBs left idle by the recession, that began in 1980 under Fianna Fail, and it is this Government that will get the construction industry moving again.

You will agree, I am sure, that the Government were right to reject one of the National Planning Board's suggestions: the reduction or abolition of the mortgage interest tax allowance. The building industry will also be helped by the decision to encourage those who live in local authority houses

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to buy their own private houses, with the aid of an additional non-repayable £5,000 grant, on top of the standard £1,000 grant, and the £3,000 mortgage subsidy.

The more newsworthy, major features of the Plan are well known to the country now and I shall not dwell on them. We are heartened, however, by the obvious approval of the majority of our people for our new Farm Tax which will both double the yield of tax from farmers, and at the same time relieve the vast majority of them from their present mound of paper work, while avoiding "double taxation".

It is not only the major schemes that have captured the public imagination: other proposals such as the reduction of VAT on newspapers, the lowering of the excise duty paid on spirits, the forthcoming National Lottery, the new Child Benefit Scheme have all attracted favourable comment. The prospect of longer opening hours for licensed premises during the summer months - which will be combined with new and stringent measures against under-age drinking, and the licensing of restaurants to serve beer and spirits will encourage tourism.

The decisions have been well publicised. As I have said, everyone will find many measures of which they approve as well as some which they will not like. There will be savings made by careful control of public service pay and the extension to the whole public service of the control of the filling of

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vacancies. There will be increases in charges for public services such as school transport and private hospital treatment. Most of the remaining subsidies on food will be phased out - but only when the new Child Benefit Scheme comes into operation.

But I will say this to the country, as I said on the day the Plan was released: now that the goals are set, the decisions taken and the sacrifices are clear; now that we have security in our Government strategy till 1987, no interest group or pressure group, can be allowed to stand in the way of achieving and, let us hope, of surpassing, our objectives.

This Plan can and should be supported by those groups, as by the people as a whole, because, for the first time in over 25 years, it provides a stable framework for the Irish economy and the Irish people. For the first time ever, decisions on levels of taxation and Government spending have been made to cover a three-year rather than a one-year period.

This Government offers the country three years of stability. For the first time, all concerned can plan for three years ahead, knowing what the Government's policies will be and not having to wait for each year's Budget to bring its upsets and surprises. This is A Better Way to Plan the Nation's Finances.

The demand for some time past has been for leadership. I, and the Government, have now given that leadership. And we shall not flinch from all that this leadership entails. The decisions we have now made will be upheld against any challenge from any quarter.

C. FORUM

Three years ago, I started a debate on constitutional reform in this State. Even at three years' distance the strength of feeling it evoked is impressed on my mind: the heartening support of so many Irish people, nationalist and unionist, North and South. What I then called for was a revival of the true ideal of Irish republicanism which, since the foundation of this State, had become blurred, and even distorted. This had happened because within the confines of our territory it was starved of the influence of the second major Irish tradition - that of the Northern Protestant Unionists. It had accordingly become narrow and exclusivist, and correspondingly alien to the unionists of Northern Ireland.

While quite properly, the Forum Report set on one side the question of short-term changes in our constitution and laws, and concentrated instead on the kind of Ireland that enlightened Irish nationalism could visualise for the future, the spirit of what I then advocated found eloquent expression in the Forum Report itself. May I quote:

"The new Ireland must be a society within which, subject only to public order, all cultural, political and religious belief can be freely expressed and practised. Fundamental

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to such a society are freedom of conscience, social and communal harmony, reconciliation and the cherishing of the diversity of all traditions. The criteria which relate to public legislation may not necessarily be the same as those which inform private morality. Furthermore, public legislation must have regard for the conscientious beliefs of different minority groups. The implementation of these principles calls for deepening and broadening of the sense of Irish identity. No one living in Ireland should feel less at home than another or less protected by law than his or her fellow citizen. This implies in particular, in respect of Northern Protestants, that the civil and religious liberties which they uphold and enjoy will be fully protected and guaranteed and their sense of Britishness accommodated".

"It is clear that a new Ireland will require a new Constitution which will ensure that the needs of all traditions are fully met. Society in Ireland as a whole comprises a wider diversity of cultural and political traditions than exists in the South, and the Constitution and laws of a new Ireland must accommodate these social and political realities."

It is striking that the four nationalist parties, whatever disagreements may exist amongst them on the timing or tactical

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approach to constitutional change, found the imagination and the courage to define their vision of the Ireland of the future in such open and generous terms.

I believe that the people of Ireland are deeply grateful to the members of all four parties who contributed so much to the work of the Forum, and who gave so selflessly of their time over so many months. I think that this gratitude extends also to those men and women who came to speak to us at the Forum, particularly those of the Unionist persuasion, who took a real risk to confront us with their British/Irish identity.

I would like to place on record briefly three crucial elements in the Forum Report, which were endorsed in full by all four parties:

First, the validity of the nationalist and unionist identities were accepted including both the profound aspiration of nationalists to Irish unity, and the Britishness of the unionists.

Second, it was agreed that the political arrangements for a new and sovereign Ireland would have to be freely negotiated and agreed to by the people of the North and by the people of the South.

Third, although the establishment of a unitary state throughout Ireland by peaceful means and by consent is the preferred option of all four parties, they considered other options in depth, (in considerable depth, it should be said, within the sub-committees of the Forum), and in the Report itself the four parties jointly proclaimed that they remain open to discuss other views which may contribute to political development.

It is against this background that the preliminary British response to the Forum Report must be seen. That response came in the form of a speech by the then Secretary of State, Jim Prior, in the House of Commons debate on the Forum on the 2nd July. In that statement, the British Government recognised all the major factors which we believe have given rise to the most urgent problem in Northern Ireland today, the alienation of the nationalist section of the community. Mr. Prior accepted that nationalists felt cut off from decision-making and from a proper recognition of their identity and he agreed that arrangements should be directed to recognising that Irish identity, and to developing minority participation and confidence in all the structures and processes of Northern Ireland. He admitted that there were aspects of British practice and administration which were not sensitive enough to these requirements, and that many in the minority

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"feel no sense of identification with those whose job it is to uphold law and order in Northern Ireland".

And, significantly, he added that

"the dangers to the people of Northern Ireland of staying put, of doing nothing" (and here he is referring to British and Irish Governments) "are greater than the obvious risks of seeking to make some political advance."

This preliminary response represents, in my view, a new and encouraging departure for the British Government. I take this opportunity to say that I welcome Mr. Hurd's commitment to continue the approach taken by Mr. Prior and to wish him well in his new responsibility.

We now await the considered response of the British Government to the Report. It is natural that constitutional nationalists should feel some impatience as they await this considered reaction. But we should recall that it took us a year to complete the Forum Report, and that indeed towards the end of that period, some impatience was being expressed in Britain about the time that we were taking about our task. And, without diminishing in any way the undoubted urgency of making progress, now just as was the case when we were working on our Report, it is more important that the British get it right, than that they respond

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within a particular space of time. I should like to take this opportunity of recognising, and paying tribute to, the seriousness with which the British Government, and, in particular, the British Minister, Mrs. Thatcher, are approaching this problem, and I look forward to my meeting with her in November.

It is my business as Taoiseach of this country, and as an Irishman who is passionately committed to helping to end the agony of Northern Ireland, to press for a positive British response to the Forum, but it will be the business of all of us to be open towards that response when it comes, if it turns out to be a serious and comprehensive reaction to our approach. In that event, it would not be without significance that both sovereign administrations are firmly established in government, with the greater part of their terms of office ahead of them, and the capacity to carry through without interruption any policies upon which they might together decide.

No party has contributed more to openness to a radical approach than the SDLP, the representatives of which we warmly welcome on our platform here today. Their courageous leadership has kept alive, and strong, and dominant within the nationalist community in Northern Ireland, the tradition of constitutional, democratic action and they have achieved this under the most difficult of circumstances. It is they who in this island are on the frontline in the defence of democracy.

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We also warmly welcome the new Leader of the Alliance Party, Mr. John Cushnahan and his colleagues, members of the party which, through many vicissitudes has maintained as a central objective of their policy the important objective of involving all sections of the community in Northern Ireland in the running of the affairs of that part of Ireland.

I should also like to say that I have been heartened by the evidence that we have recently seen of movement, belated and tentative, but nonetheless welcome, movement - among Northern unionists towards recognising the valid Irish identity of their nationalist neighbours. I have been encouraged by the tone and the philosophy of the document 'The Way Forward' published by the Official Unionist Party, although I find their proposals to be insufficient to effect a real reversal of the alienation of the Northern minority. And I must add that some of the ideas touched on in the recent document of the Democratic Unionist Party show evidence of greater openness on the part of that party also.

I should like to take this opportunity to say to all the unionists of Northern Ireland that while, for reasons to which I shall return in a few moments, Irish Governments have had to play a particular role in relation to their fellow nationalists of the minority in the North, we recognise fully our duty to

concern ourselves with the interests of all the people of Northern Ireland, who share this island with us. The unionist people of the North have roots as deep here as the European population of the United States has in that country - roots which are four centuries old. They are at present the object of a campaign of murder, verging on genocide. Insistent as we are upon the right of the minority in Northern Ireland to equal recognition of the validity of their identity, for so long suppressed, we are and must be just as committed - and I cannot sufficiently emphasise this - to full respect for the rights of the unionists, including their right to have any decision that would affect the constitutional position of Northern Ireland determined by a majority of its citizens.

No change that we seek, or would support, in Northern Ireland will abridge their rights, or create a situation in which they would experience in turn anything of the misery which their nationalist neighbours have lived with for generations. This misery was not, I should say, fundamentally the fault of the unionist people of Northern Ireland, who are of course no different in their nature from the rest of us in this island. The fault lay with the structures of Northern Ireland since 1920, which placed nationalists and unionists in a situation of confrontation, and of mutual fear, each of the other.

In that settlement of sixty years ago, one protagonist was excluded: the Northern minority. They have effectively been excluded ever since then. Several generations of men, women and children have not been allowed to develop their full human potential in terms of their inherited culture and identity. What is more, they have suffered systematic deprivation, discrimination, harassment and repression. This is not propaganda; it is no more than a summing-up of the actual human experience of many hundreds of thousands of Irish people over several generations in Northern Ireland.

Strengthened by the consensus achieved in the text of the Forum Report, the immediate commitment of this Irish Government is to end the long nightmare of that section of the people of this island, and to work to provide them with the institutional means of ensuring their human fulfilment, their security, their prosperity, and that of their children. Their situation must be radically transformed - in a way that will endure. The acknowledgement by Secretary of State Prior of the validity of our right to speak on behalf of Northern nationalists has been an important development. While Irish Governments had in the past regularly spoken out on behalf of the Northern minority our right to do so had never hitherto been formally accepted. And so must the situation of the unionists be transformed subjected as they have been during the past decade to a brutal campaign of terrorism and murder which seems to have been

malignantly designed to divide them more deeply than ever from their nationalist fellow citizens.

For years I have worked, as have countless men and women of goodwill, to create an atmosphere in which a breakthrough could be achieved in this tragedy of Northern Ireland. I am now convinced that there is for the first time in over ten years - in sixty years indeed - a very real chance of progress. By progress I do not mean the imposition of a solution on the people of Northern Ireland. By progress I mean no more and no less than giving real hope for the first time to ordinary men, women and children of both sections of the community there. The cause of peace on this island is a human, not an ideological, cause. That is why Fine Gael will back the cause of peace, peace first, peace above all.

Fine Gael, with the support of all the nationalists on this island who desire peace, will work to create a new sense of Irishness, relevant to the 1980's and worthy of the founders of this State - one that accommodates the unionists, their traditions and aspirations, not one that excludes them. We of the nationalist tradition have no monopoly of the name of Irishman, and we debase that name whenever we seek to use it in a partisan way to exclude one tradition in this island.

D. EEC Developments

Apart from Government activity at the level of the National Economic and Social Plan, and the Forum, we have, since July, assumed the Presidency of the European Community for the first time since 1979. We are discharging this responsibility in the common interest of the Community, an interest now inseparable from that of the Irish people. We inherited enormous Community budgetary problems and I am delighted to say that this week has seen these problems effectively resolved at the level of the Council of Ministers. Success of this kind depends in large measure on the way the Minister chairing the sessions steers their progress, and in the respect in which his authority is held by his colleagues. I congratulate Peter Barry and Alan Dukes on the way they have proved themselves able representatives of this country, and the equal of any of their European counterparts, and I dismiss with contempt the ranting of some Fianna Fail Eurodeputies, who from some redoubt in Corsica - so remote that apparently they did not understand what had actually happened in Luxembourg - had the effrontery to condemn the agreement that has removed the imminent financial threat to Irish farmers, without conceding the principle of a legal limit on farm spending within the Budget.

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I also congratulate Austin Deasy, not only for his handling of the superlevy crisis earlier this year, but because he has been the most fearless and, may I say, ruthless champion of the Irish farmer in Europe since Mark Clinton. His determination to defend our interests, while steering the agricultural affairs of the Community as a whole, was reflected when he took his nine fellow-Ministers on a tour of a 30 acre Kerry dairy farm. By the way, you will have noticed that we are using our Presidency to introduce our European colleagues, to the pleasures of Ireland outside of Dublin; it can only do our tourist industry good when Kerry and Clare, Galway and Mayo appear on television screens all over Europe.

The remaining major task of our Presidency which I and the other Ministers involved in this process are pursuing with unremitting vigour, is to arrange for the enlargement of the Community to include Spain and Portugal.

I have also established the new Committee, chaired by Jim Dooge, which brings together some of the most able people in the European Community, to recommend on how the Community's institutions can be reformed to make them more effective in promoting and defending the interests of the citizens of the EEC, and developing towards the goal of European Union.

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I was concerned like all Irish political leaders, at the low turnout in the European Elections this June. I realise that regrettably, despite the immense benefits that accrue to us from membership, Europe is not seen as relevant or important by many people, particularly in urban areas. This is a factor which gives us no reason for complacency. Nevertheless, I have to say that I was delighted that Mary Banotti and Tom Raftery have joined our four outgoing MEP's; it was a remarkable result, given the hard economic times we are going through.

E. STATE OF THE PARTY

That result in the European Election, increasing our total of MEPs to six, brings me to the state of our Party as we enter our sixty-second year. We fought a successful European election last June in circumstances that were highly unfavourable; you will recall how Fianna Fail in the middle of their term of government, won only 5 seats in 1979, though they then had 84 T.D.s in the Dáil.

Fine Gael has, unfortunately, not often had the opportunity to fight nationwide elections while in power. This year's was the start of many. I am confident that the next European election, in 1989, will be fought while we are mid-way through our second term of office.

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There is however a more immediate task for the organisation to face: the local elections next year, and let no one doubt that they will be held next year. I ask party officers and members throughout the country to start looking now for their candidates. We want a mixture of experienced councillors, who have a proven record, and of new blood, who, between them will effectively represent both their community and their party. I ask Young Fine Gael and the Women's Group in the Party, in particular, to put forward quality candidates for selection to facilitate the offer of a balanced ticket by Fine Gael in every local electoral area in the county. Many members of our Parliamentary Party - had their first outing in politics at the last local elections in 1979. No less than 11 of them, 4 women and 7 men have entered the Oireachtas by that route. I have no doubt that the organisation in the constituencies is strong enough and independent enough to select for next year's elections candidates of equally dynamic potential as well as of tested experience.

The national fund-raising scheme is being implemented successfully in almost all constituencies and will provide a secure foundation for the Party's preparations for the 1987 General Election. I hope our many subscribers throughout the country at Church gates and through door-to-door collections, as well as through this new scheme, realise that their

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generosity is fundamental to our ability to play our democratic role, and at the present time, to govern, in co-operation with our Labour partners.

It says a great deal for our maturity as a democracy that the parties in this country can command the loyalty, and call on the unpaid efforts, of so many of our people. I pay tribute to members of all political parties who keep our national institutions vigorous. I thank, from the bottom of my heart, the members of my own party, Fine Gael, for their unfailing support and for their constructive criticism of my leadership. It is necessary for every politician, especially leaders of parties, to be open to plain-speaking, uninhibited constructive criticism, from every level of the Party. I have always encouraged this process - painful though it be at times!

I feel privileged to lead a party of women and men - and we are now a Party, in the Oireachtas, as in the country, of women as well as men dedicated to the good of their country. I am especially glad that this party is so well represented by the Fine Gael Ministers in the Government. Peter Barry, John Boland, John Bruton, Pat Cooney, Austin Deasy, Alan Dukes, Gemma Hussey, Jim Mitchell, Michael Noonan and Paddy O'Toole, a group of Ministers individually and collectively as competent and successful as any produced by any party since this State was founded.

F. NATIONAL MORALE

This week has seen a remarkable and much-needed boost in national morale. We have a new sense of purpose. The spirit of the nation is high and its pulse strong.

It was Dr. Johnson who said two hundred years ago that we Irish are a very fair people because we never speak well of each other. There is perhaps some truth in that today. Often it is not until we travel outside this country that we realise just what we have achieved, how well we are regarded and just how well entitled we are to speak well of ourselves as a nation.

Our pride in ourselves during the past year received a boost in John Treacy's splendid Olympic performance. This pride could be seen on the faces of those who watched the All-Ireland GAA Centenary Finals this year and can be seen every night on the faces of those who throng the magnificent National Concert Hall.

The general public will soon be able to see the splendour of the completely refurbished Royal Hospital in Kilmainham, now one of the finest buildings in Europe. They will find in it a new source of pride.

The Arts

Like our sportsmen, our writers, musicians and other artists are putting the name of Ireland on the international map. Over one and a half million people in the United States and Europe have seen the "Treasures of Ireland" exhibition. Poets like Seamus Heaney and Tom Kinsella, playwrights like Tom Murphy, Brian Friel and Hugh Leonard, musicians like Bernadette Greevy, John O'Connor, James Galway and the Chieftains exemplify our growing self-confidence.

Our only problem is that all of this extraordinary outpouring of artistic excellence cannot be funded by the Government. We should not encourage any illusions on this score. But we still continue to make every possible effort to foster the arts; our reduction of VAT on theatre tickets to 5% was an instance of this, as was the diversion of £600,000 to the Arts from the Funds of Suitors. Our commitment will be maintained, if only because of the boost to national pride given by the arts.

Our Security Forces

Just a week ago tonight, a Garda operation involving the naval service, and subsequently the Army captured a cargo of weapons that would have murdered and maimed many hundreds of of our

fellow-Irishmen. Our achievements cannot be measured just in sporting or artistic ventures. But the integrity and efficiency of our army, navy, gardai and prison service must never be forgotten when we take stock of ourselves. The United Nations appreciates the worth of our defence forces too: at this moment Defence Minister Pat Cooney is with our troops who are helping to keep the peace in the Lebanon.

We can take pride too in the fact that, despite our severe domestic problems, we have in Government increased to a record level of £34m. our aid to those developing countries so much worse off than we are, to £34m. from £19m. in 1981 and are now committed to raising this further to £50m. by 1987.

We are the youngest country in Europe - in terms of our history and our population. Ritual mention of what tends to be called "our greatest national asset", our young people, is no longer sufficient to sustain their morale. Young people in this country are one of the social partners, just as employers, trade unions and farmers are and we have accordingly placed their representatives on the re-constituted NESAC. Next week we will publish our National Youth Plan, the work of the Youth Policy Committee chaired by Declan Costello. For the first time there will be a plan for the development of Youth services in this country. It will be an historic step towards making International Youth Year, 1985, more relevant to our young

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people, and we have, in anticipation of the publication of this Report, set aside money to start implementing some of its more urgent recommendations.

Our commitment to social justice is a source of inspiration and frustration: we are inspired by the ideal, but frustrated by the many day-to-day difficulties that prevent us from doing all we want to at once. As I said earlier I feel that frustration personally most keenly. Politics has taught me many things in twenty years, but one thing above all: you don't give up. Although the vision may recede; although it may seem momentarily to disappear altogether; although there are a million other pressing calls on the time of those of us with government responsibilities, that commitment remains. It must stay with us, because it is that long-term vision of a Just Society that makes the frustrations and the failures tolerable. It is that vision which keeps our morale high this week, as the National Plan is launched. It is that vision whose fruits will reward you, your families and all the families of the Irish from which Fine Gael takes its name.

I have outlined the Government's agendas for action on the Irish, Anglo-Irish and European levels, areas in which we have taken the initiative during this year. The National Economic Plan, the New Ireland Forum Report and the achievements of our Presidency of the European Community can be regarded with pride and hope by Irish men and women of all political persuasions.

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I direct my final words to all of you outside this Hall I act as Taoiseach in your interests; the Irish Government is your Government. We have worked unstintingly on your behalf for nearly two years. What we are doing is making this island a place we will be proud to live in. I ask you all and most especially the young people who will inherit this land, to come with me, to work with me to secure their future in Ireland.