

EMBARGO 21.00 HRS

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A. Kelly on 1/10/85

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Prime Minister

Speech by the Taoiseach, Dr. Garret FitzGerald, T.D.,  
at the Annual Banquet of the  
Diplomatic and Commonwealth Writers Association  
at New Zealand House, Haymarket, London  
on Friday, 22nd March, 1985

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I propose to take the opportunity that you have so generously offered me in order to reflect upon certain aspects of the two themes that must necessarily be the primary political preoccupations of anyone finding himself in charge of the government of the Irish State at any time during the second half of this century; the process of creating a European Union; and the tragic condition of Northern Ireland and its people. I leave for another occasion the domestic economic and social issues which must also preoccupy the leader of an Irish government at the present time.

To every member of the world community the most striking, and terrifying, feature of the half-century in which most of us will have spent most of our lives is the polarisation of the world for the first time in history between two super-powers, and the development by them, and some others, of overwhelming means of mass destruction.

Objectively, in terms of population, and power, these two continental States had in fact emerged over the heads of the more traditional world powers by the time the First World War

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took place. But the political isolation of each of them from the rest of the world in the two decades that followed that War - an isolation brought about for quite different reasons in each case - was such that scarcely anyone then observed the transformation that had taken place in the world balance at the start of the century. Against this background the Second World War - that most lethal of all wars in its ultimate toll of human life, civil and military - was begun, and for two years was fought between three or four countries which, as the leading States of the tiny western peninsula of Eurasia, had already by that time been relegated by history to another division of the world league, without that fact being noticed either by themselves or by others.

So little was this changed world balance understood that for much of the twenties and thirties the Soviet Union was dismissed by many as irrelevant to the checker-board of world power politics, and treated rather as a potential source of revolutionary agitation. As for the United States, it was accorded greater potential weight in world affairs, but relatively little actual power - although not everyone went so far as an uncle of mine who - wisely, under an assumed name! - wrote a book entitled "Can America Last?"

Until the clamour of war stilled in 1945, these Western European countries still imagined themselves at the centre of the world

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stage. The shock effect upon Europe and the sudden realisation that this was no longer the case was all the greater because it had been so long delayed. There was a sense of futility at having fought two World Wars disputing power that had already passed away from them. The humiliation of this helped to unleash new and constructive forces that none then foresaw.

Western Europe responded to that traumatic moment with an intelligence that was perhaps heightened by a determination to demonstrate that in defiance of the brutal retrogression of civilisation evident in the Second World War, progress was nevertheless possible: progress towards the creation of new economic and political structures more relevant to the late twentieth century. These had to be structures which, by creating a Community of interdependence between former antagonists, would make it impossible even to think in terms of a renewal of the conflicts that had interminably torn the Continent apart since it was first occupied by tribes drifting westwards from Asia and piling up on top of each other in the confined space of Europe.

In the minds of the present generation the achievement of that goal, which would have been inconceivable to Europeans at any earlier time, has now become staled by familiarity, and encrusted with petty disputes about trivial sums of money and sectoral vested interests. It is not easy to see clearly that the very triviality of the matters in dispute, upon which

Foreign Ministers and Heads of Government spend more of their time in a year than any of their ancestors ever spent in a century in devising a Concert of Europe or seeking to settle the peace of the Continent - it is not easy to see clearly that the very triviality of these differences has converted a potential for international conflict into a series of domestic squabbles that endangers no one.

War, we have been told, is much too important to be left to the generals; the politicians of Western Europe have unconsciously realised that power politics of the traditional kind is too dangerous to be left to them, so within their own half of Europe they have effectively abandoned power politics in favour of unlethal battles about wine, olive oil or soya beans.

Given our European history of power struggles without end, fought on battlefields that soaked all of Europe in blood over several millennia, there are still some who look back with nostalgia to the days when Grand Fleets and Grand Armies were the stuff of European politics; when Empires clashed and collapsed; dynasties inter-married and fell out over marriages that set off wars of succession. We are still too near that past for all to have lost the nostalgia for the tinsel of glory. And the endless wrangles of European Councils about budgetary rebates, super-levies, IMPs and ECUs, do not stir the blood. But nor do they chill it; they cool it.

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There is, however, a growing recognition that something more than this is needed, something that will on the one hand rise above these mundane disputes, mainly about money, in which the energies of Europe's leaders are now so largely invested, but that will not lead us back along the lethal path of so-called glory. The leaders of Western Europe are aware that their peoples - more especially at a time when what had been an apparently unending growth of material resources in conditions of near-full employment has come to such a disastrous halt - look for something more than the subsuming of ancient enmities in the banalities of commercial diplomacy.

In logic it might be thought that the natural response of Western Europe's leaders to the economic crisis of mass unemployment would have been a concertation of economic policies within Europe, and an attempt to concert them also on an even broader basis in conjunction with the major powers outside Europe, in order to recreate the conditions for growth. For, after all, objectively, these conditions have never disappeared, given the unsatisfied demands especially of the large part of mankind that is today so near the edge of starvation.

A Europe that has created imaginatively and with great effort an approximation to a single market that is as populous as either of the super-powers, and has an economic potential of

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the same order of magnitude as theirs, might have been expected to make the fullest use of this commercial space for economic manoeuvres on a scale far beyond those open to any single member of the Community. But this single market is still being seen in almost exclusively commercial terms - as a 'home market' which, if remaining non-tariff trade obstacles could but be removed, would provide European producers with the possibility of large-scale production matching that achieved in the United States. This nineteenth-century liberal view of the role of a common market ignores the potential importance of such a large area for concerted economic policies which at this time could, I believe, be designed to achieve a recovery of employment in Europe.

In respect of the argument, cogent in itself, for a single market, one estimate is that, if we managed to get rid of the imperfections in the internal market resulting from our failure to develop consumer products on a European scale, from lagging behind in high technology and in research and development, from distortions resulting from the preferential award of public contracts, from diverse national standards, from imperfections in capital markets and from other causes - the gain to the Community would be the equivalent of about 4% of GDP or about four times the total budget which the Community now spends each year. The Community and its institutions will have failed this generation if it does not put in train measures to realise this potential.

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Let us look at the other possibility: that deriving from a concertation of economic policies within the Community. Even after four successive years of declining employment in Europe we cannot as things stand look forward to any overall increase in numbers at work in the Community this year - and that means that unemployment will continue to rise. It seems obvious to me that the restrictive budgetary policies adopted by almost all the European countries have played a part in this depressing story. That fiscal expansion can generate jobs is, to my mind, amply proved by the way that the US has dashed ahead - admittedly somewhat recklessly - in recent years. We should not allow this real potential to be obscured by the excessive scale of the budgetary and external deficits that have undoubtedly been a feature of the recent economic situation in the United States.

A fear of similar deficits must constrain the ability of any individual country in Europe to swim against the stream and expand demand. But taking the European economy as a whole - a region with, in 1985, an expected external payments surplus of the order of ten billion dollars - there is surely sufficient leeway for concerted action to reduce unemployment without threatening inflation.

The budgetary position of the EEC countries, taken together, is also strong enough to allow an expansion. Almost all of Government borrowing in Europe this year will be for capital investment, with Government current account almost in balance

overall. And, of course, the recession itself has added automatically to Government expenditure and reduced tax receipts, creating an artificially unfavourable fiscal situation which would be reversed by a real recovery in the European economy.

We must also recall that the average inflation rate in Europe has been halved in two years to under 5%, and that this is cushioned from the danger of wage pressures by the highest level of unemployment ever known.

Against this background conditions self-evidently exist in which if Europe were a single economic entity, run by a government even of 'sound money' people, I cannot conceive that such a European government would be pursuing any policy other than one of moderate, carefully-controlled, but determined, expansion of domestic demand to complement the present rising external demand, or expansion on a scale carefully calculated to avoid any danger of 'overheating'.

That this is not happening reflects, I believe, a failure of imagination on the part of Europe's collective political leadership - a failure to grasp the use to which this 'economic space' can and should be put in the interests of its people.

In saying this I do not wish to diminish in any way the efforts being made in other spheres to consolidate the gains of the past thirty years in creating a European economic entity. The

establishment at Fontainebleau of the Institutional Affairs Committee which under the Chairmanship of Senator Professor Dooge, Leader of the Irish Senate and former Foreign Minister of Ireland, last week completed its report to next week's European Council, was a timely act of inspiration. That Committee's Report contains the ingredients of a reformed institutional structure in the Community, which, if the larger member States are willing to support it, could enable the Community to undertake a genuine European policy in both the economic and political spheres.

This opportunity must not be frittered away by niggling dissent on issues of detail. This report should be able to provide a basis for action. This action should be such as to make possible a fundamental change in the character, and in the effectiveness in terms of decision-making, of the Community. The outstanding issue of providing for the exceptional case where a genuine vital national interest of a member country might be over-ridden by other members should be capable of resolution, especially if the full independence of the Commission, as envisaged under the Treaty, can be restored.

As you know the report also attempts to address the question of the security and defence of the European Union. This raises complex and delicate questions for all members of the Community. It is not, of course, a new issue; it goes back to earlier efforts

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in this regard, for example the ill-fated European Defence Community of the 1950s and the two Fouchet plans. These earlier efforts and indeed the proposals contained in the Dooge Committee Report are an attempt to resolve a dilemma for European members of NATO - the need from time to time to take account of specifically Western European interests in the security sphere, while at the same time avoiding the risk of weakening the US commitment to the defence of Western Europe. The proposals in this regard in the Dooge Report, as it stands, are the subject of a specific reservation by Ireland as a non-NATO member. In our view the Western European Union, efforts at the revitalisation of which are under way, provides an appropriate forum, both in its composition and in its relation to the existing alliance, in which to address the defence issue.

There remains, of course, at a different level, the unresolved and perhaps in strict terms unresolvable, issue of the relationship between Europe and the two super-powers. The European peoples - and this is as true, I believe, of Eastern Europe as of the West - have no desire to become super-powers themselves; they have had enough of that kind of power politics in past centuries. For reasons not merely of ideology but ultimately of simple geography the principal pressure they come under is inevitably from the super-power on the land-mass to the east of them, and the support they need to

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sustain themselves against such pressure is necessarily from the super-power across the ocean to the West of them. No change of regime, however unimaginably spectacular, in the Soviet Union would alter the fact that at the heart of the Soviet Union lies a Greater Russia the size of which dwarfs all other States in the western half of Eurasia.

Europe has sub-consciously come to terms with this situation; its people know that they will have to live with it, and, as I have said, they have no desire to resolve it by turning themselves into a third super-power. What Europe has yet to do is to decide how best not merely to live with this situation but, as the Japanese have done, to profit from it by turning its attention whole-heartedly to taking advantage of the genius of its peoples and of technological initiatives both domestic and external to Europe. The European peoples gave to the rest of the world an industrial dynamic first developed within the narrow shores of the European peninsula, but they are now most notably and spectacularly failing either to develop this dynamic themselves, or to borrow it from others, as the Japanese have done in recent times, and as the United States and Russia did from Europe in the nineteenth century.

The Community seems to share something of what has frequently been described as the British failing - being superb at developing new ideas whether it be the splitting of the atom, the discovery of penicillin or the creation of the jet engine -

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and then displaying an equally superb indifference to developing that discovery in the market-place. Whether this failing is a matter of market organisation, culture, or the tax regime is for debate; probably all three factors play a part. But the fact remains that the failure exists, and is exacerbated by the market rigidities of which I have spoken. While Europe is ahead in some areas - like certain aspects of telephone technology, third generation software, and ultra high-speed integrated circuitry - it is lagging in information technology, consumer components, computer production and consumer electronics - the mass production and mass employment technologies of the future.

The technological weakness of Europe, the almost unbelievable lack of dynamism of its economy, the structural rigidities which inhibit it from joining in the fruits of its own past inventiveness, now being exploited almost exclusively by the Japanese and the Americans: all these together with the potential for concerted action of this 'economic space', call for statesmanship of an exceptional order. The statesmanship required is one that can transcend the cultural barriers of our Community, within which men or women can reach local eminence without, so far, being able to appeal politically to the remainder of the European electorate.

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But having said that about the leadership problem, there remains room for enormous progress, towards a Community full of technological vitality, home-grown or borrowed, operating a substantial concertation of economic policies with a further development of the EMS at its core; a Community in which real progress will be made towards a convergence of living standards between the better and less-well-off countries; one in which effective decision-making will operate, subject only to provision for the rare event of the protection of a genuine vital national interest. It should also be a Europe in which Parliament will increasingly share in decision-making on legislation, instead of being led to take out its frustrations by using in a negative manner its already formidable budgetary powers; and one in which the Commission will be restored to its fully-independent role as an essential pillar of the Community, strengthened by giving to the President nominated by member governments and approved by Parliament the principal role in choosing from each of the member States a Commissioner to make up a team of twelve in an enlarged Community.

That we can talk in terms of such developments as real possibilities, building on what has already been created in Western Europe during the past thirty-five years, makes it all the more painful for me to turn from the European scene to the unique situation that exists in a tiny corner of Europe, one hundred miles long by sixty miles wide, inhabited by a million and a half Europeans: Northern Ireland.

There, a visitor would have a first impression of people having the same basic attitude to life, living for the most part side by side, speaking the same language, sharing the same ordinary habits of daily living, eating the same foods, and enjoying music which to his ear would seem undifferentiated. The visitor would become quickly aware, however, that amongst these people there exists two groups with a sense of distinctness from each other so profound, so deeply rooted in history, so ever-present from earliest childhood in every aspect of their social lives, that they have found co-existence within the same physical space on the same terms almost impossible to accept.

The difference between the two groups is in a sense, but only in a sense, ethnic; one group feels itself to be and in large measure does in fact comprise the descendants of those who came to this corner of Europe two-and-a-half millennia ago. The other feels itself to be, and largely is, comprised of descendants of more recent colonists, who conquered and settled the more favoured parts of this corner of Ireland at the same time as the first Europeans were colonising the Eastern United States. Because many of these later colonists came from Scotland, and because movement backwards and forwards across the score of miles of sea that divides that corner of Ireland from Scotland has been constant since recorded history began, and indeed well before that time, many of this group of colonists are in fact ethnically kin to the earlier inhabitants with whom they now share this piece of land.

The difference between the two groups lies in their subjective identities. The longer-established group identifies totally with the island they made their own several millennia ago, even though they may no longer speak the ancient Gaelic tongue of their ancestors; the more recent arrivals remain spiritually 'settlers', rooted in the soil of the land their ancestors made their own four centuries ago, but feeling themselves British as well as Irish, and giving their loyalty to Britain.

It must be added that the fact that this seventeenth century settlement took place in the lee of the Reformation meant that the two groups who found themselves in conflict for the land of Ulster almost four centuries ago were divided along religious lines. This fact has helped to keep alive separate identities which might, perhaps, otherwise have merged; they have been kept alive particularly because of a philosophical difference between what the Unionists of Northern Ireland perceive as the individualism of their Protestant religion and authoritarianism of Roman Catholicism.

The political division of Ireland in 1920 was a crude attempt to resolve the problem thus created by history. Its effect, however, was not to resolve the problem, but to exacerbate it, especially within the part of Ireland that was given the right to opt out of the new Irish State, a right exercised by the

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elected representatives of the local majority created by this especially-devised boundary. This local majority of Unionists, committed to maintaining the union with Britain, remained psychologically a minority in the island of Ireland, and allowed their fears as a minority to tempt them to discriminate against the members of the national majority, who found themselves locked into this new situation against their will and cut off from the majority in the island with whom they identify.

Every effort to resolve the resultant problem has since failed, and the frustrations thus created have found their outlet in violence, sometimes of a blind, sectarian, character. But an effort is now being made to approach the problem on a new basis - not one involving a victory of one side over the other, but rather requiring the accommodation of both identities on an equal footing, accepting that a change in the constitutional status of the area, involving a transfer of sovereignty, cannot and should not take place without the consent of a majority of the people of Northern Ireland, freely given. This new approach was signalled in the communique following a meeting I had with Mrs. Thatcher last November in Chequers when we agreed that "the identities of both the majority and the minority communities in Northern Ireland should be recognised and respected, and reflected in the structures and processes of Northern Ireland in ways acceptable to both communities". This agreement

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reflects the essence of an analysis of the problem by the New Ireland Forum, a body of constitutional nationalist opinion from both parts of Ireland, which reported last May.

There is no precedent for such a political structure, for it would involve recognising fully that each of the two traditions has its own validity that entitles it to identify with a different national ethos. It would also involve such changes in the security forces as would enable both traditions to give their adherence and support to the actions of these forces in the suppression of violence and the maintenance of order, as well as a legal system to which both sections of the community could also give their uninhibited allegiance. Finally any internal political structure, involving the exercise of devolved executive power, would have to be such that it would be open to the participation of elected representatives of both traditions so long as they rejected violence.

The development of such a novel political structure by two States in respect of an area in which the different sections of its people owe allegiance to one or other of them, is necessarily a complex process. It has required, first, a common diagnosis by the two Governments involved of the problem as being one of accommodating two conflicting identities. And it has also

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required the two Governments to seek together means by which legitimate expression can be given to these two identities within the present constitutional structure.

It ought to surprise no one that the attempt to find a solution of this kind should be time-consuming, nor that at times the path towards it should be found to be rocky, leading to an occasional set-back. Nor can anyone say before the end of this road is reached, that the obstacles involved will all be successfully overcome. Failure is always possible until success is actually achieved.

But the fact that this common attempt is being made in the fullest good faith by two Governments representing peoples who have been in conflict for eight centuries has, I believe, great significance - a significance which may in time be seen to transcend the shores of these islands. There are other parts of the world besides Ireland in which such conflicts of identity occur within a defined geographical space, and that which is being attempted today by the Irish and British Governments together, could, if it does prove successful, have implications for other parts of the world.

I leave you, ladies and gentlemen whose concerns range far wider than these islands, with this thought, and thank you again for your courtesy in asking me to address you.