

Debates at the Irish Parliament (26 June 1985)

Caption: On 26 June 1985, Irish MPs analyse the proposals contained in the report of the Dooge Committee regarding improvement of the operation of the Community system and enhancement of European Political Cooperation (EPC).

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The Taoiseach: In reporting to this House on 24 April last on the meeting of the European Council held in Brussels on 29-30 March 1985, I said that the Government proposed to arrange for a discussion in the House, before the Milan meeting of the European Council, on the report of the Dooge Committee, on European Union, and on European developments generally. The discussion today which will also refer to the Spinelli Draft Treaty and Report No. 14 of the Joint Oireachtas Committee is on foot of that commitment and in response to requests from Deputies. Deputies will be aware that the meeting in Milan is to take place on Friday and Saturday next.

I originally envisaged that this discussion might have taken place at an earlier date but developments over the past two months did not, however, lead to the emergence of any clear scenario as to likely or desired follow-up by the Community on the report submitted by the *Ad Hoc* Committee on Institutional Affairs chaired by Senator Dooge. Indeed, on the eve of the Milan meeting, the position is still not as clear as one would wish although after discussions with a number of Heads of Government within the past week I am now in a better position to direct the attention of the House to the issues that are most likely to arise for possible decision.

[...]

European Union, however, is not a precise concept. Over the years, many different views have been advanced as to what the content of such a union should be and on forms which the political unification to be eventually achieved in Europe should take, having regard, in particular, to the much greater diversity of Europe, as compared, say with the United States. Various attempts had been made up to 1983, either to map out a blueprint for progress towards European Union or to recommend particular substantive or procedural steps to expedite progress along the road. All failed to lead to a decisive step or breakthrough. Time does not permit for any extensive analysis of the reasons for this failure but one important cause was the faulty working of the Community's institutional system. I shall touch on this later in my remarks.

In all European circles, a realisation had been growing over the past two or three years that there was an urgent need to address the state of crisis in the Community, exemplified, on the one hand, by the delay in decision-making and paralysis of the institutional system and, on the other, by Europe's economic decline relative to the United States and Japan, seen in terms of wide gaps in performance on economic growth, job creation and tackling unemployment and in the fields of entrepreneurship, innovation and technology. With the settlement, at least for a time, of the budgetary and other problems which had deeply divided the Community, the European Council, at Fontainebleau, turned its attention back towards restoring momentum to the Community and relaunching it along the path of European integration envisaged by its founders. It was decided to establish a high-level committee of personal representatives of Heads of State or Government to report on the steps to be taken to that end.

The Government fully supported this decision and were glad to assume the responsibility during the Irish Presidency of establishing this committee under a distinguished Irish chairman. Within a very brief period, the Dooge Committee produced a substantive interim report in time for the European Council meeting in Dublin last December. The European Council decided that the final report of the Committee would be the main subject for discussion at the meeting in Milan this month.

Before referring to the report of the Dooge Committee, let me take some time to refer to the parallel initiative of the European Parliament which led to its adoption of the Draft Treaty on European Union in February 1984, a document which is the subject of Report No. 14 of the Joint Oireachtas Committee on the Secondary Legislation of the European Communities. The adoption of the Draft Treaty by the European Parliament represented the culmination of a process initiated back in 1980 by the indomitable Italian MEP, Altiero Spinelli, whose European commitment dates back to the Italian Resistance and to a conviction formed and expressed before the guns of World War II had ceased to sound in Europe. It is very largely due to the lead given by him and his co-workers and to the sustained follow-through by the European Parliament that we owe the revitalisation of the debate on the future of the Community. In taking this major initiative,

the intent and inspiration of which the Government can broadly support, the Parliament placed the onus on the Governments of the Member States to advance the integration process envisaged by the Draft Treaty.

The latter is unlikely to be fully acceptable, in its present form, to all Member States, but its broad thrust is probably shared by most, if not all the Governments of the Twelve. However, the main focus of current activity is centred more on the report of the Dooge Committee. This has been laid before both Houses of the Oireachtas and, I believe, circulated to all Deputies. I shall not therefore attempt to summarise it. It does not take the form of a new draft treaty in legal form. Rather, it sets out the objectives, policies and institutional reforms which it believes are necessary and for these purposes contains recommendations in the following areas: creation of a genuine political entity, creation of a homogeneous internal economic area, the promotion of the common values of civilisation, the expression of an external identity and the operation of efficient and democratic institutions. Deputies will have had an opportunity by now to review the specific recommendations. Later in my statement, I will be setting out views on some of the major issues raised by the report.

For the present, I simply note that Senator Dooge was able to agree with the majority consensus on all issues, except two. He did not agree to the inclusion of the section on security and defence and, though in agreement with the principle underlying the text favoured by the majority of the Committee in regard to principles of voting in the Council, he was unable to support the actual text because, although not excluding the pleading exceptional circumstances of a vital interest, it did not include any explicit reference to the protection of vital national interests in exceptional circumstances. I should also say that despite Senator Dooge's efforts the section on the promotion of economic convergence is very weak and is far from providing a satisfactory basis for progress towards European Union.

The meeting of the European Council in Brussels last March decided that detailed examination of the proposals would continue over the following months by means of bilateral contacts, in order to enable the European Council to arrive at final conclusions at its June meeting. Widespread bilateral contacts have been taking place and, as I undertook last March, I have ensured full Irish participation in this process. Mr. Ferri, personal representative of Prime Minister Craxi, came to Dublin for discussions with senior Irish officials. I discussed the matter in Lisbon with Commission President Delors, the British Foreign Secretary and the Prime Minister of Portugal, and, briefly and informally, in Madrid with Prime Minister Gonzalez. Last week in Rome, I met Prime Minister Craxi and, separately, Christian Democrat members of the Governments of five Member States, including the Federal German Chancellor and the Luxembourg Prime Minister, and Ministers from Italy, the Netherlands and Belgium, as well as Commissioner Andriessen. Subsequently, I had discussions with President Mitterrand in Paris and Vice-President Narjes of the European Commission in Dublin. There have also been preparatory discussions at formal and informal meetings of the General Affairs Council while the Italian Presidency circulated some time ago a draft mandate for an Intergovernmental Conference, as proposed in the Dooge Report which has prompted reactions and proposals from other Member States. Nevertheless, despite all this activity the situation is rather fluid and the likely course of events is not easy to predict.

[...]

There are also institutional reforms which, as a country with a powerful interest in the success of the Community we favour, as do most other Member States.

Thus the erosion of the power of the Commission, and in particular of its exclusive right of initiative in respect of new proposals, has been damaging to the Community and to our interests as a small country. Increasingly as the years have passed, successive Commissions have been less inclined to play the kind of political role as prime movers of new policies which the Treaty requires them to do. Their proposals have tended to become more and more timid, as they have sought to anticipate and take account of the likely objections of Member States before formulating their proposals lest they find them blocked by the use of the Luxembourg compromise.

This has been because bitter experience has taught them that if they do not, in effect, accommodate in their

proposals objections, especially of the larger countries, one or other of these will object and the proposal will get nowhere. In my personal view, this trend has become even more marked since the establishment of thrice yearly European Councils of Heads of State and Government at the Paris Summit at the end of 1974, for at European Council meetings the Commission appears especially tentative about putting forward proposals, and as a result the initiative has, I feel, tended to pass back from the Commission to the major Member States, quite contrary to the provisions of the Treaty.

We favour the full restoration of the Commission's Treaty powers as the best way of protecting the interests of small countries. We also as a Government favour — and have done so since we put forward the proposal at the Rome European Council in December 1975 — the investiture of the President of the Commission by Heads of Government and by the European Parliament. We also believe that he should himself play an important role in the choice of the national Commissioners, so that he may get together around him a coherent team of high-calibre people.

It has also been suggested that the Commission's management powers in respect of the implementation of Council decisions should be extended. Worthwhile steps in this direction also appear necessary to avoid overload on the Council structures in a Community of Twelve but in some instances this might, of course, require a fairly precise initial mandate from the Council indicating in a fair amount of detail how the Council wishes the policy to be implemented and what interests would need to be safeguarded in this process.

The strengthening of the powers of the European Parliament is also essential. Although it seems that in the neighbouring island, and perhaps in Denmark, there is resistance to this because of an illusion that what is at stake would be a transfer of power from national parliaments to the European Parliament, this is not in fact the case. There is no such proposal. The problem is to secure some kind of democratic control over the decision-making powers of the Council of Ministers, which at present in effect rules by decree. The absence of an adequate role for the European Parliament outside the budgetary area, for example, in relation to the ratification of Community treaties and the enactment of Community legislation, is a grave defect in the democratic structures of the existing Community.

It also encourages the Parliament to act with less responsibility than might otherwise be the case in the only area where it has effective power, namely the budget. It would be helpful in this connection if it also had some function in relation to the raising of some part of Community revenue.

It has to be recognised, of course, that any movement towards co-decision between Council and Parliament must be so structured as not to introduce significant delay into the decision-making process and that there must be a system of mediation through which a decision can be reached reasonably rapidly where there is disagreement. Solutions that have been suggested to this problem include the transmission of Commission proposals to the Council through the Parliament, which, within a specified period, could append its comments on a proposal, or a meeting between representatives of Council and Parliament at which an effort would be made to reconcile differences, with the last word left to the Council. The views of Deputies on how this process might best be undertaken would be welcome.

Other issues that could arise in relation to the movement towards a European Union include the development of the European Monetary System; the closely associated issues of economic convergence of Member States which at present have widely different levels of *per capita* income and living standards and the concentration of short-term economic policies, technically known as conjunctural policies; the extension of the Community's competences to new areas; and the expansion of own resources, as well, of course, as developments in relation to political co-operation.

We favour the development of the European Monetary System. We should like to see our neighbour Britain become a full member of the system. This would reduce to a very narrow range fluctuations between the Irish pound and sterling, which have created many problems for us since 1979. Moreover, the inclusion of sterling would strengthen the system itself. We should like to see a greater movement towards use of the ECU both for public and private purposes.

I am convinced that progress towards the economic and, therefore, the social goals of the Community, and in particular towards the reduction of unemployment, will be slow and uncertain until the economic space of the Community is treated as a unit for short-term economic policy purposes. The policies of individual member countries should be co-ordinated through the Commission so as to achieve the kind of coherent result that emerges from central policy-making in countries like the United States or Japan. So long as some larger countries in the Community retain the illusion that they can successfully operate autonomous short-term economic policies and so long as they fail to grasp that their power to do so under modern conditions is very restricted, just so long will the Community remain a sleeping economic giant, unable to pursue its own economic interests coherently in relation to the rest of the world.

[...]

The achievement of the objective that the Community is now setting itself, namely, a genuine European Union — implies clearly a scale of funding far beyond anything currently available.

It has long been argued by Irish Governments, and has also been widely accepted within the Community, that closer economic and monetary integration involving the transfer to Community level of the control over the major instruments of economic policy, would need to be paralleled by substantial reinforcement of Community action in favour of the less prosperous regions of the Community, including arrangements for transfers of resources on a significant scale. These would be required in order to offset the potential centripetal efforts of integration on less-developed areas or to help these areas adjust to any external shocks affecting their economies. While there are undoubted gains from economic integration in the absence of adequate convergence or safeguard mechanisms, there may also be risks of an uneven distribution of these gains, even to the point of some areas being net losers.

[...]

Another major issue for discussion at Milan is the French proposal for European co-operation in advanced technological research for civilian purposes. This has great merit, coming as it does at a time when the American SDI initiative — leaving aside for the moment its military implications — threatens to dominate and absorb European research capacities unless a countervailing initiative of a civilian character is launched in Europe. At this moment there are many distinguished scientists in many European countries who are awaiting the outcome of Milan before deciding whether to sign on to participate in SDI, which could thus involve a massive, and in terms of future technological progress, possibly fatal, brain drain for our Continent. It is of vital importance to all of us in Europe, therefore, that Milan succeeds in taking a clear decision on Eureka, involving a firm commitment to go ahead at once with research in a number of key fields, supplementing private resources where necessary with Community funds.

This project has aroused intense interest throughout Western Europe, not alone in Community countries but in Norway and in the three neutral countries of Switzerland, Austria and Sweden. The structures of Eureka should be such as to ensure that while centred on the Community, these other non-EC countries will also be given a full opportunity to take part, so that their important scientific resources may be available to this European project, rather than be drawn away into the American orbit.

We are willing and anxious to play our part in this project. Our resources in this area are limited, but not negligible, and in a couple of sectors we have significant scientific skills to offer. What is less clear is whether we have Irish firms capable of participating in the development stage of this research. If these do not exist, then we shall have to bring them into being — a process in which it might be necessary for the National Development Corporation to play a role.

We would be anxious that this project should develop along lines similar to ESPRIT, the Community-based European Strategic Programme for Research in Information Technology, within which provision is made that 10 per cent of the specific projects will be small projects for which small firms and consortia could hope to tender successfully. The importance of this from our point of view is clear. In the absence of major Irish technological enterprises, our ability to benefit from development spending and from the industrial

application of this research is likely to depend upon firms in Ireland, most of them small by international standards, securing a share of the funding, to which we as a member country will be subscribing.

We would also be interested in discussing with our partners whether there could be any application of the principle of a Community intellectual property in the results of this research — admittedly a novel concept and one which could be difficult to apply in practice.

The other matter that will arise at Milan is that of developing further the process of political co-operation, that is, the attempted co-ordination of the foreign policies of Member States of the Community. Great practical progress has been made in this area since 1973 when we joined the Community.

[...]

Political co-operation has from the outset been concentrated on seeking and often finding, by consensus, common positions on matters of foreign policy, and on discussing the interests we have in common with our partners in the political and economic aspects of security, excluding military or defence questions with which, as a non-member of any military alliance, we are not involved.

As such, political co-operation has worked well, and we would be happy to see it evolve constructively. There now is a widespread view that the effectiveness of the work of European political co-operation could be enhanced if it possessed a secretariat — many countries would say “a light secretariat” — with administrative functions and the task of preparing papers for Ministers in conjunction with national officials. For my own part I find that the present system, with the secretariat effectively provided by the country holding the Presidency, sometimes aided on what is called a “troika” basis by the preceding and following Presidencies has worked quite well.

However, with the additional administrative burdens that enlargement will bring in its train, a small secretariat providing administrative assistance to the Presidency might well be warranted. Some countries propose that the *ad hoc* structures of European political co-operation should be given formal recognition by putting them on a treaty basis, although it is not entirely clear what the benefit of this would be, given that the system must in our view continue to operate by consensus — viz. no common action to be taken against the wishes of an individual Member State. This matter may come for discussion at Milan.

The UK Government have in fact proposed a draft treaty, parts of which, however, we would not be prepared to accept: in particular a provision that would require that no member country could co-sponsor a resolution at the UN if any Member State opposed it. This seems neither desirable nor practicable.

In the discussion of these matters Ireland finds itself in a different position from its partners, all of whom are members of the North Atlantic Alliance, while Ireland is neutral. It should be made clear that no other Government have put any pressure at any time on us on this issue of neutrality. Persistent reports to the contrary are quite simply inventions. No one should allow themselves to be fooled by this propaganda.

As I pointed out earlier, Senator Dooge disagreed with the section on security and defence in the report because it contains proposals that seek to go beyond the existing guidelines on political co-operation. These provide only for co-ordination in the area of foreign policy on the political and economic aspects of security. The section contains suggestions that, in the view of the Government, are more appropriate to military alliance frameworks. On this issue, Senator Dooge was reflecting the position of the Government. Irish policy in this regard is both understood and accepted by our partners. In discussion of the report’s proposals, we will continue to take the line that there are subsisting and valid distinctions between these aspects of security that are appropriate to political co-operation and those, such as operation defence questions, that are appropriate to alliance frameworks.

The fact is that our country’s position in this matter is known to and understood by our partners and no question arises in this context of any change in the Government’s commitment to maintain Ireland’s neutral position of non-membership of military alliances.

[...]

Fortunately we have no interest in creating other problems and every interest in solving them. As a result both in the preparation of the Dooge report — and this House will, I am sure wish to pay a warm tribute to the Leader of the other House for his skill and patience in securing agreement of the representatives of Heads of Government of nine other Member States to so much of its contents — and in seeking with our partners to put into effect its proposals, we are glad to be able to be positive, and to be joined with the original six Community members in seeking to move ahead together in as many ways as possible. The goodwill which we have always enjoyed in the Community — and which I should say has brought us many tangible benefits — has been enhanced by our positive stance on so many of these issues.

It is in this positive spirit that we view the proposal, first put forward in the Dooge report that an Intergovernmental Conference be convened to negotiate a draft European union treaty. It is difficult to gauge the degree of support that now exists for this approach or even for holding a conference designed to agree on further steps in the integration process, not necessarily enshrined in a new treaty. Some Member States are opposed to the proposal and there have been signs that others are now less confident of the merits of this approach. On the other hand, the Declaration on European Union adopted at the meeting of European Christian Democrats in Rome last week, at which the Governments of six Member States were represented by Heads of Government or Cabinet Ministers, came out in favour of a conference with a precise mandate to achieve the objectives set out in that declaration which raise no problems for Ireland and whose achievement would bring significant benefits to us.

Against this background the Government will support calling a conference, if it enjoys a reasonable prospect of success, and we have conveyed this attitude to the Italian Presidency. To have such a prospect it would be necessary to have a clear mandate enjoying a broad measure of support, and an appropriate timetable, so that the conference would not drag on until momentum was lost and the political climate altered for the worse. No service would be rendered to the cause of European Union if such a conference were a failure. Thus prudence is required. But I do not wish to convey a hesitant attitude. We would encourage the Presidency in trying to ensure a basis for convening a conference that could lead to a new leap forward in European integration. Equally, we will support whatever procedure is best calculated to secure meaningful progress, on a balanced basis, towards an entity that would be worthy of the title “European Union”, with economic and political integration proceeding broadly in parallel.

I look forward to the comments of other speakers on the matters I have mentioned during the course of this speech and on any other aspects of the Dooge report or the Spinelli report that they may wish to advert to. I am sure the debate will be a constructive one, and that it will help myself and the Minister for Foreign Affairs to play a constructive and positive role at Milan.

Before concluding may I add a few words by way of general comment. Both at the time when we debated joining the Community and since we have been a member of it, there has been a tendency in this country to look at our membership almost exclusively in terms of the material benefits we have secured from membership — and to look no further. In part this reflects the fact that these benefits have, as I said at the outset, been immense and, in so far as they can be readily identified and measured, far greater in relation to our economy than in relation to any other.

But the construction of Europe is much more than a matter of pounds and pence received. The Community is the guarantee for us and for our descendants that this western part of the European Continent will never again be the site of conflicts between its peoples. The era of war within Western Europe is dead and, apart from occasional acts of terrorism, many of them emanating from outside Western Europe, one of the only two remaining sources of significant violence within this area of 320 million people is, tragically, to be found in our own country, in Northern Ireland. I hope and believe that the conflict in Northern Ireland can also be brought to an end and I know that our European partners, conscious that this alone remains as an area of significant violence in Western European apart from the Basque Government in Spain, would wish to help us along this road if the opportunity arose for them to do so.

I would add one further consideration. Western Europe is today in a new and very difficult phase of its history. Technologically it is being outpaced by the United States and Japan. Its economy is sluggish. Its arteries of economic activity have become blocked by a kind of sclerosis, which if it is not cured, will lead to a decline that would effect all of us — is already affecting us to some degree — in our daily lives. We find ourselves part of a Continent which, having for centuries led in innovation, is now lagging behind, one in which, while unemployment falls in America and Japan, the numbers out of work continue to rise.

We in Ireland are suffering from this more than most. With such a young population and a birth rate that was rising steadily till the beginning of this decade, we more than any other European country, need — and will, until the end of the century, continue to need — rapid economic growth in the countries around us, to which our economy is tied by geographical reality.

It is therefore in our interest more than in that of any other country that Europe, through a mingling of its cultures and a sharing of its scientific and entrepreneurial resources, and through concerted changes in institutions, laws and practices that inhibit growth and the expansion of employment, break out of its long period of torpor and resume its earlier world leadership in innovation and enterprise. That can happen only through the invigorating effects of the removal of the barriers that, despite all the best efforts to date of those who founded the Community, continue to prevent it from functioning effectively as a single economic unit and a single market. Europe for us is not merely a matter of national interest; it is also an ideal, and an imperative.

Mr. Haughey: In discussing the future direction of the European Community today we are also discussing the future of the Irish nation. Ireland's place is in Europe. But history has taught us that we must never rely on others to ensure our interests and our welfare. We cannot afford to assume that there is a benevolent presence somewhere out there in Europe which will take care of all our problems and which will release us from our responsibilities. The reality of the situation in which we find ourselves 12 years after becoming members of the EC should remove from us any temptation to indulge in such illusions. There is no case to be made for sacrificing our vital interests solely for the sake of being regarded as "good Europeans". We must rid our minds of illusions of that kind and concentrate on an analytical assessment of where we stand today.

The Milan Summit, once billed as a major meeting, no longer looks likely to reach major decisions. But nonetheless we must maintain our vigilance. We all recall the Stuttgart European Council two years ago when the Taoiseach came home and claimed he had saved the Common Agricultural Policy. We know to our cost what has happened since. Decisions could be taken at Milan which would have serious and far-reaching implications for us, even if they no longer involve the idea of convening a grandiose intergovernmental conference.

In discussing the Dooge report today we are not just discussing an important EC document that will be on the table of European leaders at the Milan Summit. We are discussing a report drawn up under the chairmanship of the Taoiseach's personal representative. We are entitled to assume that, except where reservations are specifically indicated, the report reflects the views of the Taoiseach.

In my opinion the Dooge report is a very inadequate document both from a European and from an Irish point of view. In so far as specifically Irish interests are concerned, Senator Dooge has taken up a minimalist position. At a European level the major issues are sidestepped.

The economic development of the European Community in over the past 12 years has been extremely disappointing. My main criticism of the Dooge and Spinelli reports is that they contain no convincing remedies for the unemployment crisis in the Community. In being unwilling to tackle this problem directly the leaders of Europe have virtually abdicated their responsibilities. It is no accident that most of them now find themselves in serious political difficulty at home. The Taoiseach will not be the only Head of Government in Milan to have suffered a disastrous political reverse in the last few months. Compared with mass unemployment, European Union is quite frankly irrelevant, and none of the projects for European

Union have demonstrated in a convincing manner that they can deal with that situation.

European Union, the Dooge Committee and the Spinelli report are in part at least exercises in political escapism. In setting up the Dooge Committee and thus giving priority to political and institutional questions over economic ones, European leaders have been behaving as if they believed that the economic problems were secondary and that the political will needed to tackle them was missing. They then decided to pass on to the next item on the agenda, political union, only to discover that there are no quick solutions there either. An Italian journalist, Luigi Barzini, in his book *The Europeans*, recalls that as far back as 1929, Briand, the French Foreign Minister, solemnly proposed the creation of a United States of Europe to the League of Nations but, and I quote, "The project was duly entrusted to a committee and was heard of no more". I wonder if we shall hear a great deal more about the Dooge report after this week's European Council.

In 1973, when we joined the Community, there were 2,500,000 people unemployed in the nine Member States of the EC. Today there are 14 million. When we joined the Community 12 years ago our unemployment rate was 65,000. Today it is around 225,000.

So far as our own situation is concerned, we have to go back to the fifties to find any parallel to the high unemployment and high emigration we are now experiencing. It is not a position we expected to be in when we joined the EC. In the last two years unemployment in Ireland has risen faster than in any other EC country and at twice the EC average. Industrial investment in manufacturing industry fell by a catastrophic 39 per cent in volume terms in Ireland in 1984, while rising by 7 per cent on average in the EC as a whole. Employment in indigenous industry has been devastated in the last few years, while productivity growth in multinational firms has not been translated into economic growth or increased employment for the country at large.

A NESC study published in 1981 showed that the gap in living standards between Member States has widened, not narrowed since we joined the EC. The gap must be even wider today. When we joined the EC we could look forward to significant money transfers and consequent Exchequer savings. In 1972 we had no budget deficit and a minuscule foreign debt by today's standards. Yet today this country has major financial problems which, despite all the propaganda engaged in by this Government, have grown since they came into office.

It is not my intention to paint a picture of unmitigated gloom. There have been significant improvements in living standards and in social conditions since 1973. We have captured a significant share of high technology industry. Farmers, while not as well off as in the late seventies, were given a window of opportunity from which many have drawn lasting benefit. Some of the increase in employment in the late seventies, some 60,000 jobs, chiefly in the services sector, have been retained.

It is a commonplace that not merely the United States and Japan but also the other smaller developed countries of the OECD have all fared considerably better than the EC. Norway has prospered outside the EC. Austria and Switzerland still have very low rates of unemployment. Our geographical situation, our level of development is not the same as theirs. They have options that we do not have. Our position outside the Community would be immensely difficult. But we must analyse what has gone wrong, and indeed whether the remedies proposed in the Dooge report offer any hope of real improvement in the situation.

The two international oil crises of the seventies are undoubtedly the factors initially responsible for the severe recession, the effects of which are still with us. It is a fact of history now that the Community, faced with its first serious challenge, did not prove an effective instrument to respond to the crisis. The issues were, of course, ones that affected the whole western world. To the extent that there were any attempts at a co-ordinated response they took place within the OECD, and under the auspices of the Economic Summits of the Seven, which have produced no real results. As a market and as a trading bloc the European Community serves some function. As far as wider policy issues are concerned, whether they be political or economic, the EC has often turned out to be little more than a forum to coordinate our Community attitude before one of these Seven Summits. The United States and Japan deal individually with the larger Member States, while treating the EC itself as a body of secondary importance. The larger Member States have

allowed and, indeed, encouraged this to happen. There is no suggestion in the Dooge report of the EC dealing with the United States on all aspects of economic policy on a bloc to bloc basis. It is surprising that the Taoiseach, who has made much of this issue in the past, could not persuade Senator Dooge to raise the point. Talk of a single foreign policy by the larger Member States, when they have every intention of continuing to operate independently themselves, is, as this example shows, a hypocritical means of depriving smaller countries of their independence and freedom of action.

The EC could use its considerable strength as a bloc to bring about a co-ordinated economic recovery. There are a number of policy options that have been or could be considered.

The first option, much favoured by some of our partners, goes under the name “completion of the internal market”, the dismantling of frontiers, non-tariff barriers and State subsidies, the harmonisation of tax rates and so on. The argument for this option is roughly that the United States and Japan are markets without internal barriers, while there are all sorts of real and hidden barriers in the EC. It has to be said that our interests in regard to such a programme work in both directions. It is said, for example, that foreign investment which might have come to Ireland, is being diverted to the larger continental countries, who practise a State purchasing policy that favours factories situated in their territory. On the other hand much of our industry is handicapped not so much by invisible trade barriers, as by poor marketing.

The Oireachtas Joint Committee have pointed out, “Lowering our tariff barriers has decimated our traditional industries, with consequent unemployment”. A completely integrated internal market, based on a *laissez-faire* survival of the fittest philosophy, is unlikely to favour Ireland, if only because of our natural geographical disadvantages on the edge of Europe. It is a policy likely to favour the heartland of the Community, south-east England, northern France, Benelux, Germany and northern Italy.

An economy like ours, which has become to a great extent dependent on multinational firms — if it is to be allowed to become a dumping ground for cheap goods from inside and outside the EC — is not likely to provide its people with anything approaching full employment.

It has been recognised far too little in the past that economic integration imposes considerable costs on weaker and more peripheral economies, with activity naturally gravitating towards the centre and to the most densely populated regions. Ten years ago, when the Taoiseach, then Minister for Foreign Affairs, came home from the 1974 Paris Summit with a fairly miserable regional fund, I stated in the Dáil on 13 December, 1974, Vol. 276, column 1908 of the Official Report that unless there were a comprehensive regional policy, ...

... it is quite meaningless to expect some of the member countries to participate in monetary union, or economic integration in their present state of development relative to other members. Unless there is an operation of a meaningful regional policy, unless the different areas of the Community are brought up to somewhat the same level, then one can forget about economic integration in the full sense of the word and monetary union.

I believe that what I said then remains entirely valid today. Economic integration, without a proper redistributive mechanism, is 19th century economics. It is as if we tried to run this country on free market principles with virtually no social or regional policies.

The Dooge report opts heavily for the approach of completing the internal market, the mutual recognition of European standards, the elimination of tax differences, the free movement of capital, the opening up of access to public contracts, the removal of all measures distorting competition. It states that European economic life must be made fully competitive through a return to the fundamental principle embodied in the Treaties of promoting efficient producers.

I want to draw the attention of the House to the fact that the Taoiseach’s personal representative has

underwritten policies that are entirely insensitive to our special economic position.

The uncritical endorsement of a policy of ruthless market forces dominating a large market by the Taoiseach's personal representative demonstrates the shallowness of much official and political thinking to which the Taoiseach uncritically subscribes. What about the validity of such principles for the south-east of England and the Federal Republic of Germany, what safeguards are there for less developed regions such as Ireland? The Taoiseach and the Minister for Foreign Affairs must get away from this notion that we are uncritically in favour of more economic integration without any compensating transfers, benefits or protection. Once again it was left to the Greek representative on the Dooge Committee to point out that:

The overall gains from economic integration are not only unevenly distributed, but may also disguise losses for the less prosperous regions. The creation, therefore, of an integrated market and a technological community needs to be supplemented by a very substantial effort to strengthen the Community's cohesion by promoting regional development and the convergence of living standards.

I do not accept the criticism which we hear around today which speaks of "the begging bowl". It suits our partners to paint Ireland as a large beneficiary of Community membership, merely from the fact that we have received several hundred million in benefit from the Community across the counter. It is ignored, of course, that Denmark, which has the highest *per capita* income in the Community, also receives the highest EC transfers, so that most of what we obtain from the Community is not specifically related to our stage of development.

No Irish Minister or official should be diffident about our alleged windfalls from Europe. These are simply the logical, natural outcome of Community policy. Are we really so naive as to suppose that the biggest net contributor to the Community, the Federal Republic of Germany, benefits least from the EC? I would argue, without fear of contradiction, that the Federal Republic of Germany benefits far more from the Community than we do. Indeed, their trade surplus with the EC in most years is equivalent to or exceeds their payments to Brussels. We need to think straight about these aspects. We must get out of our head once and for all the idea that we are somehow specially favoured by the EC or by our partners. The stark truth is that we are not. We are and remain one of the less favoured regions of the EC and we should have no illusions about it. It is long past time that we should be forming a practical working alliance with those countries that are in a similar situation so as to obtain effective redistributive Community policies.

There is much talk from time to time about tendencies towards a two-tier community, and the fear is expressed that we might be relegated to the second tier. But we have a two-tier community now, and we are deluding ourselves if we think otherwise.

The Six, plus Britain and Denmark, have *per capita* incomes per year based on purchasing power parities of between 8,500 dollars and 11,000 dollars. Ireland's *per capita* income is just over 6,000 dollars or 57 per cent of Germany's. We are behind Spain with an income of 6,800 dollars, but ahead of Greece with 5,400 and Portugal with 4,500. These figures are taken from the 1985 Administration Yearbook and Diary. In terms of economic development we can be grouped with the new southern European members of the Community, Spain, Greece and Portugal. Their experience of the impact of Community membership in relation to traditional industry is likely to be similar to ours. There is no doubt that they will exercise considerable muscle within the Community. We can choose to join them in seeking a fairer redistribution of the wealth of the Community, or we can choose to pretend that we belong to the top tier and, with some sort of false pride, continue to suffer in a dignified silence. Of course in relation to agriculture and fisheries, our interests will differ from theirs but that can be accommodated also.

Some economists and trade union voices here have argued at periodic intervals down the years that we should invoke the emergency provisions of the Treaty and impose temporary import tariffs or deposits. Successive Governments have taken the view that, given our dependence on foreign investment that needs access to European markets, this could seriously damage our interests. I share that view.

However, we must demand safeguards and preserve the right balance in all future steps towards economic integration, given that such steps may have a greater relative net cost to us than a net benefit. At the present stage it is not a question of trading off political advance against economic benefits to Ireland. It is a question of ensuring that any further steps towards economic integration are adequately compensated. We must get out of our heads the idea that further economic integration without compensatory safeguards is necessarily of any benefit to us at all. Indeed the exact contrary is as likely to be the case. Therefore it is totally absurd for us to even contemplate political concessions for the sake of more economic integration which may be of very dubious benefit to us.

The reservation expressed by the Department of Finance in the Joint Oireachtas Committee Report on the Spinelli Draft Treaty are on the whole an injection of realism into the situation. They are worth quoting in full: The Department of Finance has stated that the provisions on economic policy would immediately and severely constrain national freedom of action in regard to economic policy thus effectively depriving the Government of the right to manage and develop our own economy. These constraints would apply, for example, to actions relating to fiscal policy and to such matters as capital movements, monetary and credit policies and exchange rate policy. The Draft Treaty would itself impose, or create the potential for the institutions of the proposed Union to impose, much greater obligations than arise under the existing Treaties.

The Dooge report has very largely adopted the sections on economic policy of the Draft Treaty so that the Department of Finance's comments apply equally to it. The essential point being made by the Department of Finance is that in the absence of co-ordinated economic policy management at Community level to tackle unemployment and bring about recovery we cannot afford to be deprived of our own national economic policy instruments.

It is not possible of course to have a complete internal market without some harmonisation of tax rates. You cannot dismantle frontiers while you still have substantial divergences on tax rates. You could argue that anything which might force the Government to lower the highest indirect taxes in Europe to more normal European levels ought to be welcomed. But it could also mean that you would have to impose VAT on food and children's footwear and clothing. The Taoiseach has not spelt out the practical implications of his support for liberalisation of the internal market. Would they include VAT on food? Would greater EC control of State purchasing mean that Government and Irish State bodies would be even less able to buy Irish than they are today? Would the Commission find it easier to police the Irish situation, than say the situation in Britain, France or Germany, ensuring that common rules work to our disadvantage to a greater extent?

There are two brief paragraphs in the Dooge report on economic convergence and Community solidarity. It talks about the promotion of solidarity amongst the Member States aimed at reducing structural imbalances and the strengthening of specific Community instruments. Unfortunately this sort of statement has been fairly routine over the last ten years. It does not actually imply that any action will be taken, or more money allocated to the structural funds.

The second paragraph at least contains an all too rare acknowledgment that economic integration can have negative effects, when it states that:

the effective pursuit of integration and the strengthening of Community institutions that underlines it, require positive action to counter the tendencies to inequality and promote the convergence of living standards.

However, the political realities emerge clearly in a footnote.

Mr. Ruhfus (the German Chancellor's representative) entered a reserve arguing that economic convergence by its very nature is a convergence of economic policies ... It will thus help to improve living conditions in

the individual Member States. *On this basis*, positive action is required to counter tendencies to inequality and to reduce structural imbalances in the Community.

This makes it clear that the Federal Republic expects to get increased economic integration, in other words improved access for its industrial goods for free without accepting the need for compensating redistribution policies.

The proposition that by following similar economic policies economic convergence will naturally occur is in any case demonstrably not true. Nearly all European countries are following monetarist policies at the present time, none more harshly than our own. Dr. Kieran Kennedy of the ESRI in a very interesting address a few weeks ago argued indeed that the common pursuit of monetarist policies was reinforcing depression in the Community, over and above the effects of such policies in each individual country. It is quite obvious that straightforward reflation in the traditional Keynesian mould is largely responsible for the sharp economic recovery in the United States. But Europe's present leaders in economic matters are carefully ignoring this inconvenient happening. The possibility of co-ordinated reflation is nowhere alluded to in the Dooge document. It is something that I continually pressed for at the European councils which I attended. Neither a co-ordinated reflation nor a substantial increase in the structural funds is contemplated to make greater economic integration more workable and acceptable.

I have said before that any attempt to build a European Union or some kind of European super-state on the basis of revenues amounting to 1.4 or 1.6 per cent VAT is a self-evident absurdity. Yet there is no proposal to be found in the Dooge report to increase the resources of the Community or to allow it to take over responsibilities, outside of agriculture and trade policy, presently exercised by the Member States. I acknowledge that the Taoiseach accepts that argument when he says that a genuine European Union emphasises clearly a scale of funding far beyond anything currently available. I agree with the Taoiseach when he says that but there is nothing about it in the June report. In such circumstances we must be extremely wary and sceptical of proposals which would drastically reduce our own freedom of action in the absence of any increased funding in Community reserves.

That leads naturally on to the question of the national veto. No one disputes that the veto, or the Luxembourg compromise as it is called, has been too widely abused in respect of matters that could not remotely be described as a vital national interest. There is a broad measure of agreement that deployment of the veto should be restricted to genuine cases. But as the use of the German veto in relation to cereal prices last week showed, vital interests from a political point of view are not immediately recognisable by others. Ireland by its abstention in Council upheld, rightly in my view, the German right to exercise the veto. But it has to be said that Ireland and other countries have been subjected by the German Government among others to a lot of unwarranted pressure to give up the veto.

According to the London *Times* of 15 May 1985 Chancellor Kohl, in an angry message to the Commission President, stated:

“You have to learn it is not possible to put one of the most important Member States under such pressure”.

That had an unfortunate *Animal Farm* ring to it:

“All members are equal but some are more equal than others”.

The clear implication is that Germany does not feel they need the veto, because they are confident that their interests will always be respected. Ireland without the veto would of course have no such assurance. This highlights the danger for Ireland of espousing too enthusiastically high-flown European rhetoric when it is no more than that. Generally speaking, the larger countries have numerous methods both on stage and

behind stage of protecting their interests even without recourse to the veto. We have no such possibilities.

The veto is of course the heart of the issue. As things stand at present, our Government who are responsible to Dáil Éireann and the electorate are answerable for decisions taken at EC level. If universal majority voting were introduced, or if the Parliament acquired significant legislative powers independently of the Council, then the EC would cease to be democratically accountable to us in Ireland. That is the truth of the matter. Without a veto we stand to lose ultimate control of what is decided on our behalf in Europe.

Senator Dooge as the Taoiseach's representative has sat on the fence, identifying himself neither with the majority position of the original Six nor with the minority position of the British, the Danes and the Greeks. However, Ireland's support for the German use of the veto indicated our real position. It is reported in the *Sunday Tribune* on 23 June that the Taoiseach was prepared to go much further, and make the vital national interest on which the veto was based subject to verification by the EC Commission. That would not have been in any way an adequate safeguard. There is no substitute for each country being able to determine its own vital interests, though with a clear moral obligation to produce adequate justification.

The British have recently proposed a new requirement that there should be majority voting in the implementation of policies agreed at EC Summits. This would create grave problems for us, while we have a Taoiseach who does not always grasp the significant implications of what he has agreed to, as we recall from the debacle over the super-levy following the Stuttgart Summit. Indeed it may have been just that case the British had in mind. It would be a standing invitation to the more powerful members of the European Council to present us with *fait accomplis* which could not subsequently be reversed. Heads of Government would then be extremely wary of agreeing to anything in such circumstances.

Apart from the veto, the other major concern we have is the maintenance of Irish neutrality and of the Community as an entity that is politically distinct from NATO. We must make it clear that it is not in the Community's interest simply to be regarded as the European pillar of NATO, and a part of a military bloc.

The Dooge report nowhere acknowledges the existence of Irish neutrality. The interim report states:

Similarly in the case of defence, although the aim of the European Union is indeed the cohesiveness and solidarity of the countries of Europe within the large framework of the Atlantic Alliance, it will only be possible to achieve that aim in a series of steps and by paying special attention to the differing individual situations, including the situations of the two nuclear powers which are members and of certain member countries facing specific security problems.

In the final version the wording was slightly altered with "security" substituted for "defence" and "the larger European and western framework" substituted for "NATO". It is quite incomprehensible that in this context the particular situation of Britain and France as nuclear powers are mentioned while there was no reference to Irish neutrality. It is also clear that the substitution of "security" for "defence" in this context is a subterfuge, and that they are in fact interchangeable.

The Dooge report proposes joint EC discussions on external threats and on the joint production of weapons systems. These are activities clearly appropriate to a military alliance rather than to a political or an economic Community. Implementation of the proposals clearly represent a step towards the creation of a European defence community. These particular proposals are being strongly promoted by the British Government in particular.

Up until now the Government have adopted a low-key approach to the policy of neutrality, an approach that has been described as "footnote neutrality" by reference to Senator Dooge's footnote reservations. The Government have not defended the policy of neutrality with any conviction, still less have they put forward a policy of positive neutrality. We have the dangerous situation of a Minister for Defence who is openly pro-NATO. We have a Taoiseach who clearly is not firmly committed to neutrality and whose commitment to it

apparently does not stretch beyond 1987, as he made clear in a television interview on 15 May 1985, following his attendance at the Bilderberg Conference, at which of course NATO was fully on the agenda.

Undoubtedly there is an attempt being made to undermine our policy of neutrality through the European Community. I say that seriously because all sorts of specious arguments are being put forward about our being hysterical about it or seeing bogeymen where they do not exist. The evidence is there. There is no lack of European fora in which those who want to discuss defence matters can do so outside the Community. The Western European Union, the Eurogroup of NATO, and the Independent European Procurement Group all exist for that purpose. Discussions on security and defence are therefore being pushed in the Community for reasons other than because it provides a ready forum.

Extension of the competence of the Community to these subjects requires consensus and unanimity. I understand that Greece and Denmark are for entirely different reasons also opposed to these proposals. We too should show clearly that we are prepared to stand up for our position of neutrality. Our neutrality will not be respected if we are embarrassed about standing up for it. It is unacceptable to us to be part of a Community that is integrated into NATO. We should not be forced to opt out of European political co-operation, through this proposed extension to defence. The safest course of action is to take a firm position of principle that we are opposed to defence being discussed by the Community.

It is not as if we were the principal obstacle to a common European defence policy. Both Britain and France possess what are euphemistically called independent nuclear deterrents. It is not proposed by either Government, British or French, that these be placed at the disposal of the Community, but even if that were not the case, the Irish people have no desire to be incorporated into a super-state armed with nuclear weapons.

Those who consciously or unconsciously are seeking to force us to abandon our neutrality are foolish in failing to appreciate the potential value of Irish neutrality to the Community in the international arena. Our neutrality emphasises the peaceful nature of the Community, its openness to all democratic European countries, and it helps the Community to undertake international initiatives and to be represented in international peacekeeping forces without simply being regarded as a part of NATO. The last thing the world needs today is a reinforcement of military blocs or the creation of new ones.

There are also other proposals in regard to political co-operation. The proposal to set up a permanent secretariat to assist the Presidency seems on the face of it to be a sensible one, which could ease the burden carried by the Presidency. However, it is essential that as a neutral country and as a non-member of NATO, we retain our right to conduct an independent foreign policy. A common foreign policy is incompatible with our neutrality, and would prevent us from taking a distinctive line at the United Nations on disarmament and on issues arising from the colonial past. Whenever possible we will seek a European consensus, but we should not as a small country allow ourselves to be bound down by rules that will not be observed by the larger Member States in a crisis situation. The Dooge Committee seek to formalise consultation procedures and have the same purpose as the proposal to phase out the veto, to constrain the freedom of action of the smaller Member States.

The report speaks of seeking a consensus in keeping with the majority opinion with a view to the prompt adoption of common positions and to facilitating joint measures. Since the majority may well adopt positions which will derive from a different philosophy from ours we could not be bound by a majority consensus. Both the Danish and the Greek representatives on the Dooge Committee appended comments to the Dooge report making it clear where they stood on this, in particular that common positions should be sought but that they must be based on complete consensus.

Nearly all of us in this House are anxious to see the development of the European Community in a positive way. I regret that there are so few positive proposals for the further economic development of the Community. The European proposals for a new technological leap forward in the Community are to be welcomed, although they are not so far very well defined. It remains to be seen whether the European Council is prepared to commit additional resources necessary to make this a success, where it has opposed

the provision of funds for other common policies. A diversion of existing Community resources, for instance from agriculture for instance or the regional and social funds, can only be detrimental to our interests. It is not clear either how far Ireland will stand to benefit from such programmes, which will inevitably be principally tailored to the big research programmes undertaken in the larger Member States. As far as the Dooge report attempts to face up to this it is welcome, but certainly the Community should not allow itself to become simply a technological appendage to the United States.

Nothing indicates that European Union is a realistic short-term objective at present. It would be quite wrong for the Taoiseach to move from the solid basis of the Community to supporting such a union on a blank cheque basis without the necessary safeguards or preconditions. European Union should not be used as a cover for a further retreat from Community solidarity on the economic and social planes.

Senator Dooge and others have sought to persuade us that the original Six are determined to proceed with or without the rest of us, and that we must go along with them, or else we will be left behind. I see no evidence of this happening, especially as unfortunately recently the Franco-German accord, a great mainstay of the Community has encountered difficulties. Even without that it was not possible to take seriously the threat that the Community on the point of becoming Twelve after many years of painstaking negotiation is willing to engage on a potentially divisive enterprise which might break up the Community.

At this stage European Union can only be based on the sovereign nation-states of Europe. We must remain a full partner, retaining our right to say yes or no, and maintaining our independent voice in the world. It is not the sovereignty or the prosperity of the larger or more central countries that will be taken away by the proposals in the Dooge report. The smaller and less developed countries must be vigilant that what is proposed on the basis of high-minded principles does not degenerate into a system which simply enables the larger countries to carry out untroubled their strategic political and economic designs.

The Taoiseach must be careful that he is not carried away by his liking for membership of the private clubs of the rich and the powerful and look at the world from the perspective of their multinational interests rather than from an Irish viewpoint. He must not let his patent desire to be well thought of in the right circles lead him into damaging our real national interests. That is my advice to him as he goes to Milan.

Let me conclude by saying that I do not think the Taoiseach has demonstrated in what he said to us today that European Union as conceived in the Dooge report will bring improved benefits to Ireland compared with the existing situation. There is a danger that some of the current proposals will disimprove our situation. It is time for very careful, prudent statesmanship. We are Europeans; our place is in Europe; our future is in Europe; but at the same time we must be very careful to protect our interests. We want to see Europe progress and develop. We want to see closer economic integration in Europe, but we want to see it done on the right basis and in the right way. In our view the Community has failed, despite the sophisticated bureaucracy that it has at its disposal, to tackle its serious economic problems in the past four or five years.

I believe the Dooge report falls down in that it does not recognise and confront the central failure of the economic management of the Community. If the Community are prepared to proceed with economic integration on the right basis — namely, bringing all the areas of the Community as near to the same level as possible — then we can unhesitatingly support any proposal for economic integration, but if economic integration is to be such that it simply makes the rich centre richer and the poorer peripheral areas poorer, we cannot support that sort of economic integration. These are just a few words of advice which I give to the Taoiseach on his departure for Milan.

Tomás Mac Giolla: It is very useful that this debate takes place in this form where people can express statements of opinion on the situation in Europe without being tied to a particular motion or having to make decisions as to voting. I hope it will open up a debate nationally on what is happening in Europe and the implications of the Dooge report.

The recommendations of the Dooge report, or what should more accurately be described as the Report of the *Ad Hoc* Committee for Institutional Affairs, raise many very fundamental questions about the whole nature

of the European Economic Community. It poses serious questions which have generally been ignored since our accession to that institution in 1973, and again obliges us to consider carefully the many political, economic and social implications of membership, many of which were not debated in the lead up to the referendum in 1972. Most importantly it enables us to attempt some sort of cost-benefit analysis of our membership and to consider in retrospect the impact the EEC has had on our society. It also provides us with a useful opportunity to evaluate what contribution we are making to the progressive development of modern Europe, if any, and what contribution we could be making in the future.

It must be accepted that many Irish people still have serious apprehension about the whole EC experiment and are concerned about the obvious gaps which exist between the great hopes of our accession and the achievements of our membership. They recognise the continued disparities between the regions, the growing level of unemployment, the disproportionate level of unemployment in Ireland, the questionable benefits of the Common Agricultural Policy, the lack of a common industrial policy, the underdevelopment of our own resources and the growing threat posed to our own fishing grounds. They have also every right to examine critically the performance of all the EC institutions during the current economic crisis and to question the involvement of our Community partners in the destructive arms race at a time of such severe economic recession and growing international tensions.

In 1973 it was said that the EC was a rich man's club and very little has happened since then to change that perception. While progress has been made on the elimination of tariff barriers to facilitate the free movement of labour and capital, the great inequalities within the Community are still particularly persistent and appear to be given a very low priority in the centres of power. While capital and labour had great expectations, only the interests of capital have been properly facilitated and the great aspirations of labour have been continuously frustrated. Democracy has found little expression in the complex structures of Brussels and the benefits of membership have proven quite elusive for the great majority of ordinary people.

It is understandable that there would be a movement for reform after 25 years of the Treaty of Rome, when the EC is apparently incapable of adopting a common approach to the many obvious areas of common concern in all Member States. But it must seriously be asked if the current proposals in the Dooge report are actually addressing these questions or are facing up to the real challenge posed by the current crisis. Are the problems simply institutional and arising from the cumbersome decision-making process, or are they more fundamental than that? Surely it does not require a change in the Treaty of Rome to make unemployment the number one priority of the Community. Do we need a political union to extend technological co-operation, trade or commercial links? Do we need to develop consultation on security problems or the rationalisation of military equipment to enable the Community to function more efficiently? Do we need to lose our right of veto in order to speed up the decision-making process?

Do we actually need a new treaty to begin the process of restoring economic growth, tackling unemployment, equalising living standards and extending the democratic rights of our citizens? In my opinion the answer to all those questions is "No", and it is for that reason I do not believe the Dooge report is actually addressing the central problems facing the EC. These problems are not simply institutional or bureaucratic problems but arise mainly from the absolute and misguided total reliance of all EC Governments on the effectiveness of the free play of economic forces and competition in a Community of 273 million people.

It is a curious fact that such a free market approach has been severely restricted by the EC in the agricultural arena because the CAP sets the terms of reference for political and social policy reasons but sets no such restrictions in the industrial arena where free cut-throat competition still dominates. As a consequence there are over 13 million of officially unemployed in the Community but there are many more millions of victims of economic deprivation. How can we talk seriously about extending the frontiers of democracy on a transnational basis when the most democratic right to work is denied to so many of our fellow citizens? Surely that is where democracy must begin.

As a socialist party committed to defending the interests of the working class, we maintain that this is an absolute, basic human right which is scandalously denied to the millions of unemployed citizens of the

Community. Without work people lack adequate income and the sense of dignity and purpose which can only be found in a productive relationship to society. Nowhere is it more clear that the EC is dominated by the inhuman ideology of capitalism than in the fact that unemployment is treated as an inevitable by-product of economic crisis and not as a denial of fundamental human rights. Recognition and implementation of this right means fighting for a programme of full employment in the EC.

I see considerable merit in the proposals for greater economic development by the creation of a technological community through improved industrial co-operation and see value also in the strengthening of the European Monetary System. There are useful suggestions in the decision-making processes and the respective roles of the EC Commission at the Parliament. But unfortunately this report is effectively an extension of the political demand for a fully integrated free market which was contained in the European Parliament's Draft Treaty of last year. It has as its objective the transformation of the EC into a fully fledged European Union, without the participation of many European countries in northern, middle and eastern Europe.

It requires a development of decisions by majority voting, which must work to the detriment of small countries such as Ireland. It envisages the implementation of a common external policy for the EC and growing military and security co-operation between the Member States without challenging the link between the US military establishment and so many of our European partners. It would also entail a transfer of even more power from the national parliaments to Brussels at a time when there is no evidence that a multi-national institution could respond any more effectively than national parliaments do at present.

It should be remembered that the European Parliament has already shown its susceptibility to the power of the multi-nationals during the very recent debate on the Vredling proposals. On that occasion the very modest proposals for a common standard of information disclosure and accountability by employers were effectively stillborn when the full weight of international capital under the direction of the US Chambers of Commerce, was brought to bear on that institution. Our own Confederation of Irish Industries played their part in that drama as did the representatives of both Fianna Fáil and Fine Gael with the enthusiastic support of Mrs. Thatcher's representatives in Europe. That episode provides a warning, if one was needed, that an extension of European democracy was not intended to extend to the boardrooms of Dublin, London, Paris, Bonn or New York. It has become equally evident that equalisation of social policy will be a very slow process and will hardly keep pace with the policy of integration in the economic sphere.

Undoubtedly the area which gives cause for greatest concern are the proposals on security and defence. These suggest as follows:

(b) Security and defence

The aim is to encourage greater awareness on the part of the Member States of the common interests of the future European Union in matters of security. The relevant Member States will make the fullest contribution both to the maintenance of adequate defences and political solidarity, and to the pursuit of security at the lowest possible level of forces through the negotiation of balanced and verifiable measures of arms control and disarmament.

In any event, this question will have to take account of:

(1) the frameworks which already exist (and of which not all partners in the European Community are members) such as the Atlantic Alliance (that really means NATO) the framework for and basis of our security, and the Western European Union, the strengthening of which, now under way, would enrich the Alliance with its own contribution;

(2) the differing capabilities and responsibilities and the distinctive situations of the Community Member

States;

(3) the existence of interests and objectives which Member States, while respecting their individual situations as regards defence and security, recognize as common, in particular the need for the Atlantic Alliance to maintain adequate military strength in Europe for effective deterrence and defence, in order to preserve peace and protect democratic values.

Accordingly, the following measures are proposed:

(i) Developing and strengthening consultation on security problems as part of political co-operation. Such consultation could involve in particular:

(a) discussion of the nature of external threats to the security of the Union;

(b) discussion of the way in which Member States' security interests may be affected by the international context, in particular by developments in weapons technology and strategic doctrines, changes in relations between the great powers and the progress of negotiations on disarmament and arms control;

(c) an effort to harmonize, whenever possible, the stances to be taken by Member States on the major problems posed by the preservation of peace in Europe.

(ii) the stepping-up of efforts to draw up and adopt common standards for weapons systems and equipment, taking account of the work being done in the relevant bodies. (Armies, I presume.)

Particular attention is to be paid by Member States to:

(a) rationalizing their military equipment research and development;

(b) support for production capacity for high-technology equipment which can strengthen Europe's defensive capabilities.

(iii) A commitment by Member States to design, develop and produce such systems and equipment jointly. (Arms and weapons of war.)

(iv) The will on the part of the Member States to create the technological and industrial conditions necessary for their security.

While Senator Dooge did not agree to the inclusion of the section on security and defence it still appears in the text and should alert us to the possible consequences of majority voting on such matters in the future. Unfortunately, no thought was given to this more positive and, in my opinion, the more important security issue of achieving a nuclear free zone in Europe. The development of a rational policy of non-alignment by all Member States and the provision of a basis for non-aggression and mutual co-operation between East and

West in Europe has never been on the agenda of the EC.

The military alliances have already been formed under the umbrellas of NATO and the Western European Union, but our Government have never taken any initiative to develop an alliance of non-aligned or neutral countries. We have taken no initiative to provide an alternative which would encourage the Danish, Greek or Irish Governments to co-operate in opposition to the military build-up which is now such a feature of modern Europe. Have we ever considered a proper dialogue with the Scandinavian countries, Norway, Sweden or Finland, and with Austria and Switzerland or mutual co-operation for demilitarisation and world peace? Why should we not be taking initiatives for peace while other countries are taking initiatives for war? If we were really a neutral country, our purpose should be to take such initiatives with other countries in Europe for peace.

When we are talking about European Union we are referring to all of Europe. Why is it that we have been so inactive in promoting *detente* in accordance with the 1975 Helsinki Agreement? Surely it is part of our duty as a neutral country to work for and ensure that there will not be a war. That agreement provided a framework based on respect for sovereignty, equality, territorial integrity and political independence. It was based on ten principles which are in the UN Charter. We support those principles and also supported the Helsinki Agreement. We should be using those as the basis of our policy in Europe and our policy for neutrality and peace.

Why have the Government, the Taoiseach and our Senator Dooge not sought to place this approach on the European agenda rather than inserting a token footnote of dissent in a report which carries the name of Ireland's representative, Senator Dooge, and yet proposes measures for military co-operation? Is it any wonder that people are asking what we mean by our national policy of neutrality or if we are serious in our national policy of neutrality?

I should like to ask the Taoiseach, and the House, to oppose our participation in any conference of EC Governments which uses the Dooge report as an agenda for discussion on a new draft European Union treaty. The problems of the EC can be dealt with in the context of the Rome Treaty, the only proposal placed before the Irish electorate in the referendum in 1972. That Treaty, which was accepted by the Irish people, should still be the basis for action in Europe. It gives ample scope for that and for increased co-operation or convergence in economic and social affairs while preserving the right of individual Member States to protect and defend their own vital national interest. Any attempt to depart from that will meet with determined opposition from The Workers' Party, not only here but on the streets if necessary, because we view the implementation of the current proposals of the Dooge report as an attack on the hard won rights and independence of the Irish people and a retrograde step for the country.

Mr. G. Collins: There should be no doubt in anybody's mind that Fianna Fáil are convinced that Ireland's place is in Europe. We are also aware that in talking about Europe we are referring to Ireland. Our success depends on Europe succeeding. We are very happy to say that, and I make that statement deliberately having regard to the fact that the Minister for Foreign Affairs, on the last occasion we had a debate on Europe here, suggested the opposite. I did not have an opportunity of replying to the Minister on that occasion. We are convinced, as I have said on many occasions, that Europe does not owe us as a nation anything. We cannot have the hand out expecting the begging bowl to be filled. That is a wrong impression to create and something we should dispel at every opportunity.

[...]

With regard to the report before us, I should like to state that we are all anxious and concerned about the future of Europe. We should be, because it is vital for our existence that we should have a strong and healthy European Community. We are all thankful that 30 years ago great people got together to get the Community under way. We must remember that in the first half of this century Europe experienced two World Wars in which millions of people were killed. It was because of those events that an effort was made to bring about an economic community. If the EC has not achieved its aims on the economic front it certainly has achieved another aim in that it is 30 years since we have had a war in Europe. I am satisfied — I cannot see into the

future any more than anybody else but I am probably more honest to admit it — that we are not going to have the great countries of Europe embroiled in another war for many years to come and, I hope, never.

There are problems and challenges to be faced in Europe and we have to grapple with them fairly quickly. Europe is not making the progress we want it to make. Nobody would disagree with me on that. Unfortunately Europe is stagnant. Europe will not disintegrate but it will not progress and there are serious problems which have to be overcome. I have no doubt that Europe could stagger to the end of the decade going from one crisis to another, but who wants this continuous wrangling and bickering? Who wants to witness Mrs. Thatcher or her successor coming to Dublin Castle and kicking the table, as Khrushchev did at the United Nations, shouting in her squawky voice looking for her money back. No government, no parliament or no Member State wants anything like that. There are crises and problems but I believe they can be overcome.

The first challenge to be faced is the enlargement of the Community. In the first 15 years, the original six Member States achieved what was probably the biggest surge in prosperity ever recorded in the history of the world. The only other source which could be compared with that was what happened in the United States after the Civil War. Very shortly Spain and Portugal will become full members of the Community. We are all convinced that on the basis of the limits of our resources and income, Europe cannot carry on as it is because the money is not there. The Member States are not providing money for the Commission to implement policies. If there is nothing else to be said about Europe, it must be admitted that there are policies and plans for everything and anything but the money is not there to implement them.

In the Dooge report there is, unfortunately, a backing away from the original aims and ideals of the Community.

[...]

The Heads of Government, Foreign Ministers, Finance Ministers and so on are talking about European Union, sovereignty, neutrality, military alliances and so on, but they are not talking about things that matter to the people who make up the European Community. The fact is that Europe has done nothing positive to provide employment opportunities for the many millions out of work. I would like to see greater efforts being made to help tackle this serious problem.

I welcome genuine and positive initiatives towards European Union. I agree we must move forward and we have to improve the institutional balance in decision-making in the Community. I am very anxious that we fix our sights on European Union as the ultimate goal of all our efforts. As far as we are concerned, there can be no real union until such time as there is total integration and harmonisation of the economic policies of the Member States. The paralysis from which the Community suffers at present stems from factors which cannot be resolved by window-dressing initiatives or by tinkering with the existing institutional structures.

I am satisfied that further integration can only follow economic and social development and the primary motivation for integration is the further development of the Community through the treaty framework. This means that, first, the complex of international problems facing the Community must be resolved in the immediate future. Secondly, it means the development of an even closer Community of interests through the adoption of concrete and visible measures designed to face up to the economic and social problems of the Community, principally unemployment, and to further the aim of the convergence of the economics of the Member States. This means the provision of the necessary financial resources for the Community to maintain existing policies and to develop new ones designed to achieve the aims already mentioned.

[...]

I agree with Senator Dooge when he refused to subscribe to the inclusion in the text of the sections dealing with security and defence. I would like to make it very clear that Ireland's neutrality is not negotiable and we will strongly reject any attempt to embroil this country in any military alliance. Our positive neutrality is aimed at the promotion of peace as has been clearly established already by Ireland's traditional attitude to

decolonisation, disarmament and peacekeeping issues in the United Nations.

It is being suggested that European political co-operation should be extended to military affairs. We are totally opposed to this idea. While individual Member States may discuss certain foreign policy questions touching on political aspects of security, we are opposed to any involvement in either military or defence matters by the Community institutions as such. This opposition is rooted in our status as a Member State which does not belong to any military alliance. Indeed, if Ireland were to adopt any other position, inevitably we would find ourselves subjected to pressures such as the promotion of nuclear facilities in our country. I am satisfied that those pressures would be exerted on us.

Fianna Fáil are resolved to preserve the whole of Ireland, North and South, as a nuclear-free zone. We see clearly that this is possible only on the basis of maintaining our military neutrality and as far as we are concerned, as I said, Ireland's neutrality is not negotiable.

[...]

I should also say that despite Senator Dooge's efforts the section on the promotion of economic convergence is very weak and is far from providing a satisfactory basis for progress towards European Union.

This is an extremely crucial sentence. I hope that somebody on the Government side, when replying to the debate — perhaps the Foreign Minister — would honestly tell us what our interests are, what interests we could have in European Union which have, in the words of the Taoiseach, no satisfactory economic base. If there is not that satisfactory economic base, surely we are only shadow boxing, not doing anything about the real problem. I believe that to be so.

[...]

With regard to Spinelli, he should be more specific and tell us exactly where he agrees with Spinelli. Does he agree with giving the Parliament more powers and, if so, in what way? Will he spell out the implications of this so far as this Parliament, Governments and the Council of Foreign Ministers are concerned? He did not go as far as President Mitterrand of France who said he agrees with everything in Spinelli. I do not know: I can only ask the Taoiseach about the Spinelli report.

Naturally all of us would like to see a stronger Parliament, one that would be listened to more carefully. I have been to the European Parliament and I have had the privilege of being on the Council of Foreign Ministers. I know the way they treat motions that come from the European Parliament. In the European Parliament I watched how members of the Commission treated questions or submissions made by the Parliament. There is room for tremendous improvement there. As there is a strong link at present between Spinelli and Dooge, we want to know far more than what we have been told because the truth is we have not been told much. Matters have been touched on but it has been all very vague. I am not casting any reflection on the people who put this script together for the Taoiseach. One can only lead a horse to water; one cannot make him drink the water. If we are to have any input in what is involved by way of decisions on the Spinelli and Dooge reports we have not been told. We do not know the views of the Government on the matter. It is the responsibility of the Government to put forward their proposals and to have them discussed.

I am open to correction on the following for the reasons I have given previously, but I did not hear the Taoiseach spell out clearly what in his view has gone wrong. He did not tell us why things have not come right for us in Europe. We do not know if the remedies suggested by the Dooge Committee will deal with the situation. I am not happy about that. We would want to know more about it.

[...]

Minister for Labour (Mr. Quinn):

[...]

The Labour Party welcome this debate. It is essential that there should be an informed and extensive debate on all aspects of the future development of the European Community. Over the years we have as a nation failed to engage in serious analysis and discussion of the Community's purpose and policies, preferring to indulge in rhetoric, assertion and short-sighted pursuit of narrow sectional goals.

[...]

We see the report of the *Ad Hoc* Committee for Institutional Affairs, known as the Dooge Committee, as a document of the greatest political importance and we recognise the depth of thought that has gone into its preparation. It is a report worthy of a serious response and it is not to be dismissed by recourse to slogans or to conspiracy theories, which characterised the statement of the Leader of The Workers' Party this morning. It raises real political issues — indeed real political choices and challenges — and it must be faced up to carefully, critically and on the basis of some basic principles. I want to state three basic points of principle from Labour's standpoint at the outset.

First, Labour accept that the European Community as it is today must move on to a new phase of development. As the Party's 1984 policy statement says: "The Community desperately needs a new approach and a new impetus. Ireland, within the Community, equally requires such a new beginning. Labour is committed to the pursuit of the policies which can bring this about." In his Madrid speech, the Leader of the Party made the same point when referring to the need for positive initiatives within the Community. He stated that: "Labour is committed to working for the changes needed to bring about these advances." The Labour Party are not negative about the Community or about its development. We want a more dynamic and effective Community but we do not want it for its own sake.

My second point of principle relates to the purpose of the Community itself. I can quote from the Party's 1984 policy statement in which it is stated that:

Labour continues to hold fast to the conviction that only a European Community which can give reality to the aspirations of its people for jobs, for a secure future, for peace, for social justice and for an adequate response to the world's development problems can guarantee the future of democracy and unification within and among its Member States. It is only through policies built upon the principles of socialism and related directly to the aspirations outlined above that the Community can have a future of progress and development, and such a future is vitally necessary for the people of the Member States.

That is a point of the most fundamental principle to which I shall return.

Thirdly, we cannot separate our consideration of the Dooge report and of the evolving debate on European Union from the realities and demands of our policy of positive neutrality. Labour's 1978 Policy Statement on Ireland and the European Community contained the following emphatic statement:

It must be stressed that commitment to the entire complex process of creating a socialist basis for the future of the Community does not imply any diminution of Ireland's long-standing neutral position. Indeed, it is the position of the Labour Party that the largely pragmatic basis of our neutrality should be strengthened by a firm acceptance of a non-aligned position in world politics and a refusal to contemplate involvement in any form of military alliance. Above all there can be no question of Ireland becoming aligned to the North Atlantic Treaty Organisation or any military organisation.

Neutrality should imply a whole range of approaches to the main issues of international politics. In particular, it means that there must be a total commitment to the pursuits of *detente* and world peace — a rejection of any form of involvement in the sordid armaments trade which has brought so much misery to

the world for the sake of financial profit — and a positive contribution to the necessary process of world development.

Only a country which is clearly seen to be independent of the entanglements of military alliances can play an acceptable role in the struggle for a new international economic order.

That is Labour's continuing and unequivocal standpoint.

Noting carefully these three points of principle as the starting place of Labour's approach, I wish to outline our approach and response to the Dooge report and to the total European debate by reference to a number of crucial matters of concern.

It is clear that the present debate is tending to centre upon certain economic issues and upon related institutional matters. These require some comment. I wish in this connection to quote directly from the recent Madrid speech of our party leader, the Tánaiste, who said:

We see the new impetus towards European Union and the wide political debate which has come about as a result of the Spinelli initiative, the Draft Treaty on European Union and the Report of the *Ad Hoc* Committee on Institutional Affairs as potentially positive developments in so far as they rest upon principles such as democracy, concern for jobs and social justice and genuine concern for peace. But in considering these moves we must not lose sight of the disturbing fact that Europe today is characterised by the strength of right-wing ideologies and even by the re-emergence of undisguised fascism. We must never allow ourselves to fall victim to the temptation that the creation of structures will achieve our ends. The political forces which control these structures are of vital concern and we must not permit the future Europe to have within its structures the potential for right-wing domination. Basic elements of balance and firm guarantees for certain rights must be locked into any new European structures.

Specifically on the economic and social front I must emphasise that a Common Market founded on market forces alone is unacceptable. It is unacceptable in principle and in practice since it works against the interests of regions which have suffered — and suffer now in this period of recession — from disadvantages of geography and infrastructure, from lack of resources and from past exploitation. While the goal of realisation of the Community's internal market is understandable and logical it does contain the threat that unfettered market forces will exacerbate the already great — and still increasing — differences between the developed and less developed regions. Our experience in the Community since 1973 makes this a matter of painful experience, not a theory.

I must state at this Congress that the Labour Party deeply regrets the absence from the documents to which I have referred of an adequate response to this problem. The Congress Resolution, on the other hand, does stress the need for adequate regional and social policies and I welcome this evidence of socialist realism. However, Labour cannot support the concept of European Union unless the economic and social policies of the Union — and the institutions and laws which will underpin them — are so designed as to present growing regional imbalances and to promote and achieve growing convergence in living standards and levels of employment.

This is a very firm statement. We mean it because it is a fact — and beyond question — that in the present Community regional policy and regional development can be seen as no more than a crude form of social welfare or dole. We are insistent that this failed and discredited level of policy must be replaced by a totally new policy in which regional development and convergence will be an integral element of Community policy and, indeed, a political commitment.

A common market based purely on market forces is not only unacceptable to socialists in principle but also unacceptable in fact as it works against the interests of those regions which suffer from disadvantages of distance, lack of resources, weak infrastructure, insufficiently developed markets or past exploitation. In these circumstances, unfettered market forces simply exacerbate the differences over time between the developed and underdeveloped regions, as has happened in the European Community since Irish entry.

The Labour Party note that neither the report of the European Parliament nor that of the *Ad Hoc* Committee address this problem at all and, accordingly, state that they cannot support the European Union unless its economic policies and the institutions which will implement them incorporate, are actively designed to prevent growing disparities between the regions and are positively intended to bring about growing convergence in living standards and levels of employment. Such policies must be transferred from the arena of social compensation policies, which are in truth regarded by the richer and bigger economies as Euro-social welfare, into an integral part of the European Union's economic policies. Labour regard these as an essential programme which stands to benefit substantially the underdeveloped regions of the Community's Mediterranean basin and congratulate in particular the Socialist Government of Greece for insisting on their adoption as a condition for further progress. Based on precisely the same principle, the Labour Party state that their support for European Union is based on a demand for an equivalent Community instrument, to be known as the Integrated North Western Programmes, to cover the whole island of Ireland, Scotland and Wales. This programme should have similar resources devoted to it as the Mediterranean Programmes but, in any case, shall not be less than a figure equal to half the Public Capital Programme on a year by year basis for a period of ten years. Only a resource transfer of this magnitude will create an economic balance between the exploited periphery and the developed core of the European Union which will in turn lead to greater social justice and political cohesion. Without such a transfer the European Union will ultimately fail to meet its objectives, as has the European Community.

In this connection, Labour support strongly the arguments set out in Chapter II A (a) of the Dooge report which indicate very clearly that the forming of new policies — such as a genuinely integrated regional policy — will entail additional resource transfers within the Community. As Dooge states:

such resources would be made available in the context of a clearly identifiable Community financing system firmly based on the own resource principle. This system should endow the Community with a stable revenue base for a sufficiently long period.

It is also clear that the future development of the economic and social aspects of the Community is dependent upon the proper working of the institutions and decision-making systems which have been clogged up and reduced to near immobility in recent years. Labour believe that the institutions of the Community must be developed and further diversified and we welcome the new sense of urgency in this regard which at last seems to be shared by many of the political forces and leadership groups within the Member States.

At the centre of the institutional debate lies the vexed question of the so-called veto. We recognise that the Luxembourg accord has become the cause of an unforeseen and unacceptable level of delay and frustration in decision-making. For every highly-publicised incident like the super-levy crisis or the cereals prices hold-up this year there are hundreds of situations within the multiplicity of committees that discuss detailed policy where the veto approach is used to hold up progress, often in the interest of the bigger Member States or of the multinational companies. It cannot be denied that there is urgent need to free the system and to introduce a more rational and flexible element into decision-making. Labour will support any reasonable approach in this area.

However, I must, in this connection, draw the attention of the House to the words of my party Leader, speaking in Madrid where he said:

I must here also sound a word of warning. Given the concerns which I have just indicated about the regional issue, you will recognise that it is of profound and vital interest to Ireland and to the Labour Party that any reform of institutions will ensure that in no circumstances and in no area of concern will the legitimate and vital interests of any Member State be overridden by temporary, cobbled majorities. Union will be a meaningless and devalued word, if, in Europe, it can mean the hegemony of the biggest and richest. If, on the other hand, it can be seen to encompass fully the ideal of solidarity, it will be a positive and widely supported concept for all Europeans.

We have no doubt that a new and constructive approach in this area is possible given goodwill on all sides. This important issue has been discussed in detail by the Joint Committee on the Secondary Legislation of the European Communities in their Report, No. 14, on the Draft Treaty for European Unity.

I have taken note of the comments made by the Opposition spokesman on Foreign Affairs, Deputy Collins, in relation to the discussion of these reports in his capacity as chairman of that Committee. I hope the House will be able in the future to afford time to discuss the important work of that Committee of which I was once a member. In their very comprehensive and balanced discussion of all aspects of Community issues, the Joint Committee, at paragraph 65, make the valid point that “the need for the Council to act with unanimity is in accordance with the Treaties but is the result of subsequent political action and recognises that majority voting would enable the Community to speed up its decision-making and embark upon new programmes of activity”.

However, at paragraph 66, the Committee very rightly assert that “agreement to abide by the will of the majority presupposes a high level of common interest and mutual support. The Joint Committee therefore considers that any eventual phasing-out of the veto must follow the introduction of an effective redistributive mechanism which shows a high level of solidarity from the strong to the weaker”. That is a principle with which the Labour Party are clearly in agreement.

On this question of the veto it is very significant that Senator Dooge himself entered a very clear reservation to the text of his Committee’s report and argued that it should have contained, in his own words, “an explicit reference to the protection of vital national interests in exceptional circumstances”.

In his comprehensive statement at the outset of the discussions, the Taoiseach made reference to that area and discussed in clear and explicit terms how it should be operated, how it could operate in a manner that would recognise the vital interest of Member States without at the same time clogging up, as happens now, all of the decision-making process throughout the various committees and Councils of the Community.

I turn now to the question of Irish neutrality. Ireland’s neutrality is one of the most fundamental aspects of Labour’s political stance. Our position on neutrality goes back to the period of the outbreak of the First World War and to James Connolly’s avowal of Irish neutrality in that struggle of the great powers. Labour’s policy on neutrality has been stated again and again in terms of basic principle and of positive political approach. As the Tánaiste stated in Madrid: “It is not negotiable in any way or in any setting. The unique contribution which an actively neutral Ireland can make to the reduction of international tensions, and to the promotion of world peace must be recognised and respected”. He went on to make the point that: “We must work together to make our Community a factor for peace and justice in the world. Part of the Community which has this world responsibility is a neutral Ireland. Our neutrality is a positive thing — an assertion of our independence and of our determination to work for true and peaceful development in the world on the basis of clear principles and political openness outside any form of entanglements in military alliances. Our neutrality is not conditional, nor is it a convenience — it is fundamental to our political stance”.

[...]

The debate that is taking place here on the eve of the Milan Summit is of major importance because, as the

Taoiseach has stated in outlining the Government's position of support for the intergovernmental meeting proposed to be held some time later this year, at that meeting the impetus for renewing Europe and for going towards the next stage in some form of European union will be given added strength and added support, certainly from the original six members and possibly from two others but certainly including Ireland. The Labour Party welcome that impetus. We welcome the renewed drive for an integrated social Europe.

[...]

That is our position today. We must move to the next stage of integration and release much of the frustrated energies which have been locked up for too long within the EC because of difficulties in relation to the Common Agricultural Policy, to enlargement and to the contributions and payments from the United Kingdom. Those three areas, which have characterised immobility within the Community, by and large, have been satisfactorily resolved. I support the Taoiseach in his contribution in this respect. We are indebted to Altiero Spinelli for having reinvigorated a sense of purpose and commitment to an integrated Europe in his Draft Treaty Report which emerged from the European Parliament.

We may get frustrated and annoyed at the slowness of progress within the European Community. I do frequently. I know Deputy O'Kennedy with his experience as Minister for Foreign Affairs and Minister for Finance, with his intimate knowledge of the Community at that level and his knowledge as a Commissioner in Brussels will be aware in a much more meaningful way than most other people in this House of just how frustrating is the slowness of decision-making. But we should take stock of how far we have travelled already in the last 30 to 40 years.

We should not take it for granted that we can, for the first time in 1,000 years on this Continent, confidently say that we will never again go to war against each other, that we can now confidently say that within the states of Spain, Greece, Portugal, Germany and Italy we shall never again see dictatorships, as was the reality within the living memory of people in this House. We should recognise the fact that we have for the first time ever a democratically elected European Parliament which contains the seeds of a force for integration and unity which should not be discounted but rather celebrated.

It is with a note of optimism that we approach the end of this century. As far as I am concerned there is no doubt but that we shall see an integrated European Union that will have within itself the resources and capacity to provide full employment and social security for all of the 320 million citizens who at present reside within that enlarged Community. It is within that Community that the Republic of Ireland, with its population of just under 4,000,000, has an absolutely unrivalled opportunity to participate freely, openly and publicly within a market of that dimension in such a way that, if we have the will and the energy, there is no reason we cannot secure an adequate standard of living and full employment for all of the people of this island.

[...]

Mr. O'Kennedy:

[...]

What is required is a word of condemnation but that was not forthcoming either. As we have now reached about No. 10 on the list, is the Taoiseach asking us to live in cloud-cuckoo-land? Is he not aware of all the reports that emanated from the Heads of Government down through the years, those very Heads of Government who wanted to block progress towards the aim of the Community? We can go back as far as the Vedel and Tindemans reports. One recalls when that great European, Tindemans, came on the scene, all the jargon was used again — a new relaunch of Europe and so on. This was the initiative of the Council but the Council buried the report because there were other Prime Ministers and Presidents in office when the report was returned.

Then there were other Prime Ministers such as D'Estaing and Schmidt, men of great European commitment,

but they asked for a further report. On that occasion there followed the report of the Three Wise Men. That report was debated but when other Prime Ministers came to office nothing was done to implement any of its recommendations. Then there was the Mandate Report from the Commission, a report that had been sought by the European Council and in which I was directly involved. A detailed document was presented by the Commission in which it was pointed out, among other things, that unless Europe provided adequate resources for research and development, for technological development, for important programmes and adequate resources to develop an international market for our agricultural produce, there would be problems. But the people, among them Mrs. Thatcher in particular, who are now talking about another report on European Union buried that detailed document.

Are we to pretend in the light of all this that next week's chat or 24-hour discussion with the high profile of another summit will relaunch Europe? It is not surprising that the founding fathers of Europe excluded deliberately from the institutions of the Community the Heads of Government who meet three times a year for one day each time. One could not possibly expect from such an institution any real European commitment because each Head of State is anxious to return and demonstrate to the citizens at home that she or he has held the ground or, as Mrs. Thatcher has demonstrated so often in recent times, has not conceded to the others in Europe. That is not the way Europe was built.

It is vitally important that the authority of the Commission should be re-established because that authority has been totally undermined by the same Heads of Government. The Taoiseach said blandly that it is important to re-establish the independence of the Commission. Would he not be frank enough for once to say that the Three Wise Men Report, the Commission Mandate Report and at least two other reports recommended that there should be one Commissioner from each Member State? Would the Taoiseach not be man enough for once to state that the very people who ensured that would not happen are the Heads of Government to whom he has conceded before going to Milan? Are we reaching the stage when an Irish voice has to be qualified by some vague European commitment, by our talking in terms of some Luxembourg compromise or common interest? Are we reaching the stage when we cannot do as the others do and talk in plain terms?

The EC has become a sick Community and the reasons for that are clear. Four years ago the total number unemployed in the Community was 8.79 million. Today the figure is 14 million. The peoples of the Member States see the Community as an institution that is not relevant, not caring and not effective. It is very different from the Europe that was launched at the high tide of democracy in Europe when there was a common commitment and when the founding fathers said they were resolved to substitute for age-old rivalries the merging of their essential interest to create, by establishing an economic community, the basis for a broader and deeper community among people long divided and to lay the foundation for institutions which would give direction to a destiny to be shared. Where is the basis now for establishing a deeper economic community? In his famous speech in Florence on convergence, President Jenkins of the Commission, on behalf of all, pointed out that the direction that was part and parcel of the Community was the elimination of major imbalances, thereby giving rise to greater economic cohesion, greater economic union and, finally from that, the political union of which we are now talking.

He was talking about the internal cohesion which subsequently would lead to an external common position. There cannot be a foreign policy on the part of a unit that has no internal cohesion. These are simple facts that apply to any community at any stage in history, but anyone reading the Taoiseach's statement today would have to despair in so far as the Irish are concerned. We have a commitment to Europe and we look at that Europe which has turned in on itself and which has turned away from the developing countries.

[...]

There will never be a worthwhile, dignified Europe until there is a concern for and an awareness of its obligations to others. Even then we could demonstrate that it would be in our common economic interest to promote the economic development of these nations, or are we always to sit back and assume that the African subcontinent particularly is to be cast permanently in the role of semi-starving and in receipt only of our charity by way of development programmes?

These are the issues that should be discussed in Milan.

[...]

Now we are engaged in a new dimension. When Europe fails to realise its stated aims those with very limited aims — and Margaret Thatcher must be numbered proudly among them — then dream up another concept of European Union and try to sidetrack the issues into debates that are not and never were relevant to the Treaties. That said, when Europe begins to achieve economic and political union — as Séan Lemass said here some time ago — then consequences can follow, but not before. When Europe begins to be really a political entity then consequences can follow. But when we decide to introduce obligations which are excluded specifically, such as security, then we are turning not only against our stated policies but deliberately turning away from the stated policies of the Treaties of the European Community.

[...]

Some voice must be raised to tell our European friends, as true Europeans, that it is time we stopped fooling ourselves with these continuous analyses, reports, committees, by whoever — it does not matter whether it is Dooge, Vedel, or whoever. All that has emerged from Europe in recent times is a litany of names. With 14 million people unemployed — which is twice what it was 14 years ago — with that part of Europe outside the European Community — Finland, Austria, Norway, Sweden, Switzerland — experiencing economic growth of a kind that makes the European Community seem undeveloped can we say to our people here that Europe has been good for them in terms of the European Community? Could we not say perhaps that if it continues as it is those who are outside — Austria, Finland, Sweden, Norway, Switzerland — were perhaps more fortunate because at least they engaged in consistent policies unlike the constant analyses and reporting in which our Taoiseach has been prone to engage? I wish him well but, before he goes, he should be prepared to answer to the others when they quote his speech against him.

[...]

Mr. N. Andrews:

[...]

The conclusions of the Dooge Committee have sent aftershocks rumbling through the Community. This Committee which was set up to report to the European Council on institutional affairs has jeopardised Ireland's neutrality. Among the proposals put forward by the Committee is one which states that during consultations relating to EC foreign affairs there should be a discussion on the way in which Member States' security interest may be affected in the international context, in particular by developments in weapons technology and strategic doctrines, changes in relations between the great Powers and the progress of negotiations on disarmament and arms control.

The Member States of the EC are democratic, that is, they believe in government by the people for the people. A full and open public discussion on what the Dooge Committee is proposing has been taking place and this must continue. The future direction of policies which will have a major impact on our affairs is being considered. It is essential that the issues put forward come out into the open.

[...]

Based on the conclusions of the Dooge Committee, what type of new treaty would be drawn up? How would it compare with the existing treaty? While it is difficult to predict the outcome of an intergovernmental conference on the drafting of a new treaty, a conference in which the European Parliament may be closely involved, certain trends may be foreseen. In a number of key areas the report of the Dooge Committee and Parliament's Draft Treaty are very similar. Both texts are comparable where they propose that there should be majority voting in the Council and that unanimity should be retained only for certain exceptional

decisions. This latter point is of major significance to Ireland. The proposals that the role of the Commission be strengthened follows the line taken by the Spinelli Draft Treaty. Both documents seek to reinforce the powers of control of the European Parliament in the field of external relations and that responsibilities be conferred on Parliament where revenue-related decisions are concerned.

[...]

In the Dooge Report, there is a reference to the Common Agricultural Policy — as a footnote. The Danish representative stressed that all the measures in the agricultural area which have in recent years been introduced with the intention of renationalising the Common Agricultural Policy should be dismantled. Where do the Irish Government stand on this issue? What would a new treaty do to agriculture? These questions must be addressed to the Government. We have no doubt where we stand on that issue but there is some doubt as to where the Government stand.

In the European elections last year in our election platform we clearly stated our position of a policy of positive neutrality. I stress military neutrality for the information of the Taoiseach. In recent times it has been suggested that European political co-operation, that is, the EC's foreign policy, should be extended to military affairs. Fianna Fáil are totally opposed to this. Fianna Fáil are opposed to any involvement in either military or defence matters by EC institutions. This opposition is rooted in our status as a Member State which does not belong to any military alliance. Our military neutrality must be presented in the Communities as an aspect of a policy of positive neutrality. Our status of not belonging to any military alliance enables us to back without equivocation the right of all nations to self-determination, be it in Afghanistan, Central America, Poland, Lithuania, Guatemala or Chile.

The footnotes of the Dooge report when dealing with the question of security and defence state that Senator Dooge did not agree to the inclusion of this section. This section stresses the need for an Atlantic Alliance to maintain adequate military strength in Europe and developing and strengthening consultation on security problems as part of political co-operation. Why did Senator Dooge not enter reservations earlier in the report to other references to security? In the first chapter on "A Genuine Political Entity", that is, a European Union, the Danish representative on the Committee considered that the reference to security should be limited to the political and economic aspects of security. Senator Dooge entered no such reservations here, nor on the section dealing with "An External Identity" which describes "security" as a fundamental aim of European Union.

Senator Dooge thereby implicitly accepts that the proposed political union should deal with the military aspects of security. As he represented the Taoiseach on this Committee, this must also reflect the Government's position: if not, I should like to have that made clear.

Just how much further is Ireland to be led down the road towards abandoning our traditional neutrality at the behest of those who are clearly prepared to go much further?

[...]

Mr. O'Donnell:

[...]

I wish to pay a very special tribute to Senator James Dooge on the outstanding work he has done and on the brilliant manner in which he has discharged the very important, onerous and difficult task assigned him in chairing this special Committee on European Union. The widespread and favourable acceptance and response throughout the Community to the Dooge report is a tribute to his ability and his hard and patient work. I hope that his work and that of his other colleagues on the Committee, who compiled the report we are now discussing, will bear fruit at the forthcoming Milan Summit.

I believe the Dooge report identifies the real issues and pinpoints the problems confronting the Community

at present and in the immediate future. More importantly, it clearly signposts the road ahead. Let there be no mistake about it. The European Community is now, and has been for a considerable time, at the crossroads. If we take one road it will lead to continued stagnation, political, economic, social and financial. The EC has for some time now been drifting from crisis to crisis, a Community which, until two weeks ago, was unable to formulate a budget for the current year. Let us be honest and realistic about this. The EC can have no future if it continues along this road, drifting from crisis to crisis, trying to find *ad hoc* solutions to immediate problems with no proper long-term planning and no adequate system of long-term financing. The Community has been travelling that road for far too long. Those of us who are Members of the European Parliament are only too well aware of this drift from crisis to crisis. In December last the European Parliament rejected the 1985 budget because it covered ten months only of the year 1985. No Parliament or Government could accept a budget which made provision for ten months only. Following a decision taken by the European Parliament a couple of weeks ago we now have a budget for the current year. I believe that if this Community is to survive, if it is to make progress but above all, if it is to have real meaning for the people who belong to it, there is no other option but to travel the road signposted by the Dooge report.

[...]

Minister for Foreign Affairs (Mr. P. Barry):

[...]

The contributions that have been made to this debate today encourage me to strike a note of optimism. The views expressed on all sides of the House have reasserted the continuing vitality of the decision to join the Community made by the large majority of our people in 1972. And for all the concern expressed today about the need to protect vital national interests, it is striking that a theme common to almost all speeches is that one of our more vital interests is our continued membership of the Community itself. Therefore, it is at all times in the context of continued membership of the Community that we view the present process towards further European integration.

Our approach to European Union is different from that of all other Member States. All of our partners suffered in the Second World War and there is consequently an emotional basis for their pursuit of this ideal. Ireland, on the other hand, was spared this searing experience. Additionally, unlike our partners, we are young in statehood and have a pride in a sovereignty, the absence of which is still within living memory for some. There is therefore a major task ahead in creating in Ireland, if not an emotional appeal for union, then at least the recognition by the public that further integration is in Ireland's long-term interests.

As Members are all no doubt aware, the European Council in Fontainebleau last year, in consequence of the Genscher-Columbo Declaration on Union, the Parliament's Draft Treaty on European Union and President Mitterrand's appeal for a relaunching of Europe, decided to set up the *Ad Hoc* Committee on Institutional Affairs to map out the next stage of integration. The Committee reported to the European Council last March and its recommendations will be the main topic for discussion at the Council's meeting in Milan this week. Others have already discussed these recommendations but for the purpose of my exercise I shall repeat them briefly.

They include a call for a genuine political entity; for a series of priority objectives which include; first, the completion of the present treaty through the creation of an internal market, through increased competitiveness of the European economy and through the promotion of economic convergence; secondly, the promotion of what are called common values of civilisation and which include measures to protect the environment, the gradual achievement of a European social area, the gradual establishment of a homogeneous judicial area and the promotion of common cultural values; thirdly, the search for an external identity which includes the strengthening and improvement of European political co-operation and its extension to cover consultation on security and defence matters.

To facilitate the achievement of these objectives and to reinvigorate the institutions for their own sake, the Committee proposed a series of institutional reforms. These include recommendations for easier decision-

making in the Council, for a strengthened Commission, for an enhanced role for the European Parliament and for increased scope for the activities of the Court of Justice.

Finally the Committee proposed a method by which the Member States might institute the recommendations. It suggested that a Conference of the Representatives of the Governments of the Member States should be convened in the near future to negotiate a draft European Union Treaty based on the *acquis communautaire* (the body of Community legislation), the specific Dooge Recommendations, the Genscher-Columbo Declaration on European Union and would be guided by the spirit and method of the European Parliament's Draft Treaty.

These then are the proposals for the next stage of European integration. Reactions to them vary. Common to all of them is an acceptance that, unlike other efforts in past years, Senator Dooge and his colleagues have set forth a range of objectives which, in the light of present realities, one can at least conceive of being achieved.

Let us now look from an Irish perspective at a selection of the recommendations and at their implications for Ireland. The first recommendation for a genuine political entity, that is, for a form of European union, is an ideal to which we can aspire and towards which I believe significant progress will be made in the present process. However, its ultimate realisation, in part or in whole, will be in no small way dependent on the degree to which the other more immediate recommendations are acceptable to Member States.

The first priority objective for a homogeneous internal economic area includes a recommendation for the creation under the present treaty of a genuine internal market. In common with all Member States we see particular advantages in easing access to a single integrated market. We therefore support the achievement of a Community-wide internal market and the promotion of economic convergence in the Community. In working towards the achievement of an internal market free of any remaining obstacles to trade we will simply be meeting obligations to which we are already committed. The proposals in the Dooge report include recommendations for the increased competitiveness of European industry and the European economy. This we very much favour.

[...]

On transport policy the Community's failure to develop a satisfactory common transport policy, despite the objectives laid down in the Treaty, is depressing. It exemplifies the crippling caution and the obsession with niggling details to which the Community has too often been prone. In practical terms, it means that the movement of goods between Member States is slower, more expensive and less efficient than it could be. It is clear that without a common transport policy the creation of a truly homogeneous internal economic area — one of the Dooge Committee's priority objectives — is impossible. We accordingly support rapid progress towards full liberalisation of road haulage, and can accept the parallel need for the harmonisation of conditions pointed to by other Member States. As already mentioned, it is a matter of some pride that our recent Presidency was quite successful in this area. Both producers and consumers, notably on this comparatively isolated island would benefit from the cheaper and more competitive transport services thereby provided. Moreover, I believe that Irish hauliers are in a position to compete vigorously in a more open market. As far as air transport is concerned, there is obviously scope for greater competition within the constraints which arise from the special nature of the industry.

I turn now to the European Monetary System. The strengthening of the EMS is an essential condition of further European integration. Ireland has participated in the system since its inception on 13 March 1979. We have found participation most useful in helping to promote exchange rate stability, particularly given the very wild fluctuations being experienced by the major currencies and given our relatively high dependence on international trade. This stability is evidenced by the fact that over two years have elapsed since the last realignment of EMS currencies.

Stability in exchange rates within the EMS has, in turn, resulted in a moderation in import prices and this has been accompanied by a dramatic convergence of Community inflation rates. The rate of inflation in

Ireland, at 5.2 per cent this year, is below the Community average and the lowest nationally for 18 years. EMS membership has also been of benefit in that it has necessitated the development of the foreign exchange and money markets in Dublin.

When the EMS was founded the support arrangements for the less prosperous states participating in the system took the form of guaranteed access to subsidised Community loans. Ireland received its subsidies in capitalised form and these amounted to 66.7 million ECU each year for the five-year period 1979-83. We received our full entitlement to the subsidised loans which were used to finance capital investment in the economic infrastructural area, mainly telecommunications and energy projects.

Further development of the EMS would be welcomed by Ireland. It will reinforce not only its technical mechanisms but will also improve prospects for economic development, including higher growth, employment and the raising of living standards in the less prosperous Member States. There have been calls on Britain to join the system. Ireland, with its high proportion of sterling-denominated trade, would welcome the pound sterling into the EMS. I take this opportunity to call on Britain to join the EMS to enhance the stability of the exchange rates in the Community. The bulk of our trade would then be covered by the EMS arrangements and some of the problems with which we have had to cope in recent years, as a result of sharp movements of sterling outside the system, would be reduced.

Given our view that a European Union must repose on a solid economic foundation, the promotion of economic convergence must obviously remain a priority objective in this country's approach to the deliberations and decisions arising from the Dooge report. Translated into concrete terms, the pursuit of this objective will involve, among other things, advocating the exploitation of such possibilities as may exist for greater concentration of the economic policies of the Member States of the Community, notably to combat unemployment; support for further increasing the Community's own resources in order to equip the Community to discharge its responsibilities and to meet the challenges facing it; and support for increasing the resources of the Community's structural funds in order to enable them to adequately discharge their tasks. Despite the budgetarily restrictive views of a number of Member States, we intend to pursue a policy of securing adequate resources to meet present needs and future objectives.

[...]

Turning again to specific Dooge proposals, I note that the report calls for the creation of a technological community backed up by a genuine internal market which would enable Europe to become a powerful competitor internationally in the field of production and application of advanced technologies.

Although the December and March European Councils also referred to this in their conclusions, the first more concrete initiative came in the form of a letter in April from French Foreign Minister Dumas to his Community colleagues. In this he outlined his proposal for establishing a new agency, with legal and financial autonomy, for the purpose of organising and co-ordinating research and development activities of interested European countries in a number of high technology sectors. First reactions to the French initiative linked it to the United States "Strategic Defence Initiative" proposal and saw it very much as a rival undertaking.

However, France has stressed that its proposal is motivated by long-standing concerns, and is a logical conclusion of its thinking to date. Furthermore, the French emphasise that, unlike the SDI, Eureka is a civil research programme.

Reactions to Eureka in other Member States have mostly been very positive. This is due in large measure to the widespread recognition of the technological challenge to Europe from Japan and the USA and from the fear that participation by European allies of the United States in SDI research could lead to a siphoning off of European research capability. Motivated by these same concerns, the European Commission has more recently put forward ideas of its own for a qualitative leap in Community research activities.

We regard the French proposal as interesting and significant and as one which seeks to address the

challenges presented by the present state of European co-operation and the place of Europe in the world. Naturally enough, there are aspects to the proposal which require further examination. These would include such aspects as the way in which it relates to the European Community framework, the idea of variable participation in individual projects and the extent to which non-members of the Community can participate in it bearing in mind here precedents of successful extra-Community co-operation in ventures such as JET, COST and the European Space Agency.

We are examining the proposal actively and also positively, out of the conviction that an initiative of this kind is essential to make up the ground Europe has lost and to maintain our competitiveness in the medium and longer term. We are also examining the Commission ideas in the same spirit. Of course, our overall concern is to ensure that whatever finally emerges, Ireland's technological needs and capacity are taken into account. Incidentally, this is a concern shared by other small countries, especially in the context of Community funds.

The Dooge report also makes recommendations in the areas of the environment, social policy and the harmonisation of national laws. From an Irish viewpoint there are no difficulties here of a fundamental nature. However, there are certain interests which must be accommodated. For instance, in the environmental area we must ensure that moves to harmonise anti-pollution measures do not tie us to a standard which might apply in, for instance, the Ruhr. Again in the area of social policy there is a need to ensure that account is taken of the particular conditions and the level of development which apply in Ireland. The Irish view in relation to the proposed harmonisation of laws is that such harmonisation presents greater difficulties for a country with a common law system than for one with a civil law system and must therefore be seen as a long-term objective. However, as already mentioned, these considerations are not of such a fundamental nature as to preclude an overall positive approach to the report.

Progress towards European Union is not confined to the economic sphere. Closer political co-operation and integration is also part of the objective of European Union and moves towards European Union must take account of this reality.

[...]

The Dooge report, which in our view should form the basis of discussions at the forthcoming European Council in Milan, contains a number of proposals aimed at enhancing European political co-operation, the arrangement whereby Member States consult and co-ordinate on a range of foreign policy issues. These proposals fall into three main categories.

First, proposals that are aimed at improving the technical functioning of political co-operation — for example, by the creation of a separate Secretariat as distinct from the present situation whereby the country holding the Presidency assumes all the tasks of a Secretariat. Under this heading there is also a proposal to transfer the official level meetings from the capital of the Presidency to Brussels, with the aim of harmonising and ensuring a closer link with the Community framework.

The second set of proposals in the Dooge report is aimed at strengthening the commitment to European political co-operation, in particular by formalising the commitment to consult and by seeking to ensure that consensus, the basic rule of EPC, be sought in keeping with the majority opinion. The thrust of this latter proposal is problematic. Some of our partners appear to favour a departure from the rule of consensus based on unanimity. We, and others of our partners, are resistant to such a dilution of the consensus principle. There is unlikely to be a broad measure of support in the Community for any change or dilution in the existing consensus principle in European political co-operation.

The third set of proposals expressly concerns security and defence. Senator Dooge put down a reserve on this section. The section aims to enlarge co-operation on security beyond the current guidelines which explicitly state that co-operation on security matters is restricted to political and economic aspects of security. It envisages what could be broadly termed as politico-military consultations which would be complementary to the aims of the Atlantic Alliance. This section of the report also envisages co-operation

on arms procurement and production. We have put down a reservation on that.

Our general approach to these sets of proposals has taken into account certain considerations. First, the merits of the proposals themselves. That is, are these proposals justified on their own merits? Do they meet objective needs? Would they lead to a situation where political co-operation works any better than it does at the present time?

Second, we view these proposals within the framework of our overall approach to European construction. In effect, this means that we believe that closer political co-operation should be based on the systematic creation of a growing community of economic and social interests.

Third, in relation to proposals concerning security and defence, we shall not agree to any proposal which conflicts with the Government's policy of neutrality. Our partners have been made well aware of that position, which applies not only to proposals contained in the Dooge report but also to analogous proposals contained in the British draft agreement on European political co-operation which have been reported in recent days.

I should like to turn now to the proposals for the institutions. Looking at them in reverse order, we have no problems with the recommendation for the Court of Justice. Indeed, most Member States seem to have accepted the recommendation without comment, evidence that the proposal is sensible without altering the fundamental role of the Court.

The Irish Government accept in principle the proposals for the European Parliament. It is clear to any observer that the European Parliament has an inadequate role which is inconsistent with its status as a directly elected body and that this inadequacy has a distorting effect on the way in which the Parliament handles its business. However, there are some fears on the part of Member States which need to be dissipated before the recommendations will find ready acceptance among all partners. Some states are reluctant to support an enhanced role for the Parliament because of a fear that further powers will seriously complicate the decision-making process and perhaps also because of a fear, less often expressed, that the recommendations will set a precedent which could in time affect the sovereignty of national parliaments. Behind this opposition one can detect a consciousness of the *ad hoc* way in which the Parliament has developed and the absence of a prior concept of the ultimate role of the Parliament. Unless there is a shared perception among Member States of its future development, it will be difficult to bring about any fundamental change in its role. The Irish view is that the role of Parliament will have to be improved in some measure but that this should be done after due reflection and in the spirit of confidence which progress in other areas will create.

The proposals on the Commission are ones which were part of Irish policy on the Community a decade before the Dooge Committee made them. We have long felt that the Commission's powers of initiative and its role as guarantor of the Treaties have been eroded by encroachments from the Council, by its own growth as a Community bureaucracy and by the failure after two enlargements to reduce the number of its Commissioners in line with the number of real portfolios. We will pursue the report's recommendations in this area as being in the best interest of the Community as a whole.

I will deal now with the proposals for the Council. For the past few years the Council has shown a creeping paralysis in the area of decision-making. The British budget problem, the creation of new own resources, budget discipline, reform of the Common Agricultural Policy, the accession of Spain and Portugal and integrated Mediterranean programmes are stark examples of areas where the Council decision-making process had almost ground to a halt. The breakthrough of the past 12 months or so in dealing with these issues and in clearing the way for the reform of decision-making has been unfortunately marred in recent weeks by a resurgence of decision-making problems on the question of cereal prices. While Member States have different views on what should be done, they are all agreed on the need for reform. Problems, however, do develop over the degree of this reform.

Taken in conjunction with the proposals for a strengthened Commission, those on decision-making are, in

my view, the most significant of all the recommendations in the Dooge report. They are significant for a number of reasons. Firstly, they are relevant to the immediate problems of the Community. Secondly, if realised, they have the potential to clear logjams going back many years. Thirdly, a whole range of Treaty objectives in, for instance, competition, transport, social policy, free movement of workers, right of establishment, and so on, become that much easier to achieve. Fourthly, they will add a real measure of orthodoxy and predictability to Community decisions which will have the effect of making them more acceptable at national level.

For all of these reasons we find the report's recommendations in this area acceptable, subject to Senator Dooge's reserve on the retention of the veto. This retention of the veto is a matter of some importance to us. We are quite convinced that, without provision for recourse to it, we will not be in a position to safeguard the vital interests threatened by Community action. Having said that, we do recognise that the veto has been abused and that it must be modified so as to restrict its use to genuine, sustainable cases.

[...]

For the second time in 40 years, through the medium of the Dooge report, an invitation has been issued in Europe to move further along the path to union. We in Ireland have made our assessment and judge the invitation to be worth accepting.