

Debates at the Irish Parliament (25 July 1967)

Caption: On 25 July 1967, in the Dáil, Irish MPs debate the conditions for Ireland's accession to the European Economic Community (EEC).

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The Taoiseach:

[...]

The issue before the country at the present time is not whether we should join the European Communities but how best to prepare for membership, assuming it is open to us. As I said in my statement in the Dáil on 11th May immediately following the renewal of our candidature for membership, I am convinced that the Government, in deciding in 1961 to seek membership for Ireland, and the Dáil in supporting that decision, judged correctly the response of the Irish people to the challenge of participating in the fashioning of a new Europe.

I do not think there is anyone in this House who is prepared to say that we should not seek participation in an enlarged European Community which includes Britain. If there is, he must be prepared also to demonstrate, and demonstrate convincingly, that there is a valid alternative which can ensure for our people an expanding economy with opportunities of developing our economic potential at least as good as those available within the EEC. He must show how we can continue to sell our agricultural and industrial products in increasing quantities abroad, how we can continue to attract the foreign capital and technical know-how so necessary for the building up of our industrial arm. For us, these are essential constituents of economic growth, and, if there is anyone who wishes to persuade this House or the people of this country that they can be secured outside an enlarged European Community, he will have to base his case on something more convincing than facile statements about negotiating trade agreements or diversifying export markets.

The traditional type of trade agreement simply will not give us the kind of export opportunities we need, since it will not serve to open doors through the tariffs and levies which would surround our principal export market, namely, Western Europe. An unfavourable trade balance with a country does not necessarily enable us to force that country to take our products on special terms. In the present-day world, in which major trading countries are bound by the rules of GATT, the scope for bilateral bargaining has virtually disappeared. In this situation, substantial trading advantages are not obtainable except inside a wider grouping, such as a customs union or a free-trade area embracing both agricultural and industrial products.

We do not, however, look upon the EEC as merely an economic institution. The Treaty of Rome is the foundation stone of a much greater concept than the exchange of trading opportunities. This Treaty — and the Treaty of Paris, which preceded it, establishing the European Coal and Steel Community — can rightly be regarded as the first decisive acts in building up a new Europe. In the preamble to the Treaty of Rome, the Contracting Parties affirmed their determination to lay the foundations of an ever closer union between European peoples and their resolve to strengthen, by combining their resources, the safeguards of peace and freedom. The ultimate goal of the Treaty is, essentially, to bring about a united Europe through the fusion of national economies.

The Government have made it clear on several occasions that we share the ideals which inspired the parties to the Treaty of Rome and that we accept the aims of the Community as set out in the Treaty, as well as the action proposed to achieve those aims. This could hardly be otherwise, for Ireland is a part of Europe, not only by virtue of her geographical situation and the bonds of trade and commerce, but also by the shared ideals and values of fifteen centuries. Our friends in Europe are fully conscious of the part played by Irish scholars in the defence of those values at a dark moment in Europe's history, just as we cannot but be mindful of our debt to the European nations for the hospitality and encouragement found there by Irish exiles during our own long struggle for national identity. The facts of history and the links of a common civilisation join our small island to that great land mass with whose destinies our own are bound up, and we cannot but welcome, support and contribute to any movement aimed at developing and strengthening that European way of life which is a part of our own Irish heritage. Thus, we participated, as founding members, in the establishment of the Council of Europe, the Organisation for European Economic Co-operation and the European Payments Union, and we followed, with the closest attention, all efforts in the post-war years to find ways of giving effect to the aim of European unity. In seeking membership of the European

Economic Community, Ireland is indicating her willingness to play her full part in a movement which has the greatest significance for the future of Europe — and, indeed, for the world.

As my predecessor said in his address to the Council of Europe in January of last year,

We believe that the peoples of Europe, with their background of culture and tradition, their community of outlook and spirit and their highly-developed skills, have, in unison, an immense potential for human benefit, not alone in Europe but throughout the world. We look forward with confidence to a united Europe — a Europe firmly committed to its own development in peace and harmony and, thus, the better able to serve the cause of peace in the world and the freeing of all mankind from the scourge of poverty, hunger and disease.

In my recent meetings with Netherlands, German and Italian statesmen, which assured me of the welcome and support of their Governments for Ireland's membership, I observed a growing conviction of the desirability of an expanded and united Europe. The voice of united Europe would be listened to in the councils of peace — divided she is not heard.

We recognise that membership of the EEC would inevitably have political implications for us; that is to say, it would entail certain limitations on our national sovereignty. Every international agreement, such as the Charter of the United Nations or the Statute of the Council of Europe, entails such limitations and imposes certain duties on the participating States.

First of all, the Rome Treaty imposes upon Member States a commitment to integrate their national economies to a degree which admittedly involves some derogation from national sovereignty. At the time we might hope to be admitted to the Community, it will have acquired all the characteristics of a customs union and some of the characteristics of an economic union. At that stage, we would be expected to conform to the policies already determined by the Community in the various areas covered by the Treaty, subject, of course, to whatever terms of entry may be negotiated. We would, however, have a voice in the formulation of future policy within the institutional system of decision-making in the EEC, as well as a degree of protection of our interests, which we could not hope to have in isolation.

The Treaty of Rome obliges Member States of the Community to delegate certain powers to specified institutions of the Community. These institutions — the Council, the Commission, the Court of Justice and the European Parliament — have supranational features, in verifying degrees, under the Treaty. However, the question of the powers of the institutions of the Community, as distinct from national governments, has not yet been finally resolved. A country is normally prepared voluntarily to surrender some of its sovereignty in an international agreement because it expects to derive compensating advantages therefrom. I shall deal later in more detail with the balance of advantage in our case as it appears at the present time.

In regard to the question of what obligations, in the purely political field, we would be assuming by EEC membership, Deputies will be aware from statements already made by me in this House that, while membership of the EEC will, naturally, involve participation by Ireland in all aspects of the Community, the precise political commitments of membership will depend on the progress which the Community can make towards the realisation of its political ideals. The Community, in the present stage of its evolution, is committed only to the terms of the Rome Treaty, which does not, in itself, contain any commitments in the political field.

[...]

It will be evident from what I have said that participation in the European Communities involves the exercise, by Community institutions, of certain powers previously reserved to the Governments of the Member States. I have in mind, particularly, the functions of the EEC Council in issuing regulations and

adopting directives and decisions and the role of the Court of Justice as final arbiter on matters relating to the interpretation and application of the Rome Treaty.

This situation has certain implications for our own constitutional and legal arrangements.

[...]

I should like to point out again that the Treaties establishing the Communities are mainly concerned with economic and commercial activities and related social matters, and it is in these areas that changes in our legislation will be necessary. Other aspects of domestic law need not be affected by membership.

To round off my remarks on the political aspects of EEC membership, I should like to emphasise that the political consequences of economic stagnation would, by reason of their much graver import, bear no relation to those arising from participation in the Community — and economic stagnation would be our fate if we remained outside a grouping which included our principal trading partners. Our strength and our capacity to develop as a political entity derive from our ability to maintain our position as a viable economic unit in an increasingly competitive world. Cut off from the opportunities for economic growth, our political freedom of action would be weakened.

The decision we have taken, however, rests on something more positive than anxiety to avoid the penalties of isolation, both economic and eventually political. The fundamental consideration which has induced us to seek membership of the European Community is that the Community is based on ideals and aims which appeal strongly to us and to which we can readily subscribe. Furthermore, the means by which these ideals and aims are to be realised accord closely with our own concept of how best we can achieve the kind of economic expansion of which the country is capable, with all that this implies in terms of increased employment, higher living standards and improved social services. Membership of the Community would not, of course, automatically confer these benefits. It would merely provide the framework within which we would best develop our economic resources and, in this way, make our own modest contribution to the creation of a strong and prosperous Europe.

Here we come to the big question which presents itself to the public mind. To what extent can we expect, within the Community, to realise our economic potential, or, to put it in another way, what will the overall balance sheet of gains and losses look like?

It is clearly impossible at this stage to draw up a detailed estimate of future gains and losses. Any conclusions reached would have to be based on a wide range of hypotheses which, in themselves, would represent an attempt to define precisely the terms on which Ireland would accede to the Community. There are two objections to proceeding in this way. First, the conclusions reached would, of necessity, be extremely tentative and, so, of limited value. Second, and more important, the disclosure of the basis of our calculations could seriously undermine our negotiating position when the time comes to discuss terms of entry with the Member States of the Community. I recall that the Leader of the Labour Party said in the Dáil on 11th May that we should fight hard to get the necessary conditions for agriculture and industry to ensure that our people will be employed here. This the Government aim to do but it would be unwise to make our task more difficult by setting out, here and now, the full details of our negotiating position.

[...]

Negotiations, as the term is commonly understood, are concerned with a range of possibilities — what I may describe as optimum and minimum terms — within the limits of which the parties might reasonably be expected to reach agreement. The range of possibilities could vary with the issue involved, and the object of negotiations would be not alone to reach agreement on each issue but also to achieve a reasonable overall balance. If this process is to be carried through to a satisfactory conclusion, the Government must have a certain freedom of manoeuvre, always bearing in mind the minimum terms which they can afford to accept.

[...]

Finally, I would remind Deputies that in none of the applicant countries has the national parliament sought to have defined in detail in advance the terms of entry which the government will negotiate. In each instance, the responsibility of the government is to negotiate the best terms it can and to present these terms to the national parliament for ratification. To proceed in any other way would be to confuse the functions of the legislature and the executive.

[...]

To avoid any misunderstanding about what is negotiable, I would like to point out that, while certain of the Community's arrangements, principally those concerned with voting procedures, financial contributions and representation in the European Parliament, must necessarily be altered in an enlarged Community, a newly-acceding country can expect that it will be required to accept the general body of arrangements already made for the conduct of the Community affairs, whether these are set out in the Treaty of Rome or elaborated in various decisions and regulations adopted under the Treaty. For us, negotiations will consist largely of the revision of voting procedures and similar changes consequent on the admission of new members and the agreeing of transitional terms, as may be necessary, covering other aspects of membership. The Dáil will be given an opportunity of debating the terms of entry as part of the procedure for ratifying Ireland's accession to the Treaty of Rome. For the present, however, any discussion must, in general, be set in the framework of the eventual obligations of membership, which are fully described in the White Paper published last April. Other obligations will emerge between now and the date of our entry, according as additional implementing decisions are adopted by the Community. These will be brought to the notice of the Dáil and public in whatever may be the most appropriate way.

It is in the light of the known obligations for membership and of the advantages which we would expect to derive that I propose to speak about Ireland's position. So far as possible, I will take account of the need for transitional arrangements to enable us to adapt to Community conditions, but I would repeat that it would be contrary to our interests to set out here the full details of any transitional arrangements which we may feel obliged to seek in the course of negotiations.

The two sectors of the economy with which we must principally concern ourselves in any discussion of the implications of membership of the EEC are agriculture and industry.

It is in these two sectors that membership will have the most immediate impact, and it is in these sectors, therefore, that we have concentrated the main thrust of our efforts to prepare the economy for participation in the EEC. I shall, in my remarks following, be dealing with the implications for agriculture and industry, in so far as it is possible to do so at this stage, and with the action taken by the Government to encourage and assist the adaptation of these sectors to Common Market conditions. This action embraces a wide range of measures directed to the remedying of particular weaknesses and also the general reorganisation of our external trade policy in a direction that will enable the economy to meet successfully the challenge of competition in the EEC. The response to these measures has, in general, been encouraging. I do not maintain that it has everywhere been satisfactory but this is a separate issue. The Government can — and do — give financial and technical help; they can advise and persuade but they cannot compel. I repudiate the suggestion in the amendment put down by the leader of the Fine Gael Party that the Government could have taken more realistic preparatory steps to adapt the economy to the kind of conditions we shall encounter in the EEC.

So far as agriculture is concerned, I should like to make some general points at the outset. First of all, Irish agriculture is very much an export industry and, over the years, it has already been meeting the keenest competition in markets abroad. Secondly, the agricultural benefits to be derived from membership of the EEC and participation in the common agricultural policy will depend essentially on the efficiency, skill and enterprise of our production, processing and marketing. Thirdly, our policy in recent years has been specifically aimed at equipping Irish agriculture to compete in the altered conditions which will apply to our entry into the Community and to derive the maximum benefit from membership.

The fundamental attraction of EEC membership for Irish agriculture is something more than the higher prices which will apply to our principal products. It also includes the advantage that we shall be competing in a large market at prices which are remunerative and are also comparable to those paid to other producers within the Community. In other words, the agricultural producers with whom we shall be competing will not have the great advantages over us which most of them have at present. Deputies will notice that the word "competing" keeps cropping up. This is not an accident, since competition, but on equal terms, is inseparable from the common agricultural policy of the EEC. It may be said that, as our farmers have been competing on unequal terms in export markets for so long, competition on equal terms can only be sheer gain. This is broadly true but we must not lose sight of the fact that there will be more competitors, and that there will be competition for our farmers on our own Irish market. Thus, there may be some losses as well as the gains, and it is necessary to bear this in mind when considering our participation in the Community's agricultural arrangements.

[...]

A complete definitive analysis of the implications for Irish agriculture of membership of the EEC will not, however, be possible for some time, for a number of reasons. The common agricultural policy will not be fully operative until the middle of next year, and even the existing six member countries will not be in a position to analyse fully its effects on their own agriculture until the common policy has been in operation for a period. Also, the common price levels which have been fixed may be altered, to some extent, on the admission of new members, and, in any event, they are subject to change and review within the existing Community. Furthermore, as Britain will remain our principal market for agricultural products within an enlarged Community, our benefits from the common agricultural policy may well be affected by the length of any transitional period that Britain may negotiate for changing over to the Community system.

Nevertheless, even at this stage, some broad assumptions can be made. Because of the aim of the common agricultural policy to relate market prices to costs of production under Western European conditions, it is a reasonable assumption that there will be no substantial reduction in the common price levels which have already been fixed. These common levels are higher than our prices for most products. The common target price for beef is quite attractive in relation to our current price, and the common target price for milk is also appreciably above our price.

On the basis of our 1966 exports and allowing for such factors as the level at which intervention to support the market would apply, the value of cattle and beef exports could increase by, in round figures, about £30 million, while the return from dairy produce exports could increase by £10 million or more. Thus, beef and milk production, which together account for nearly 60 per cent of our agricultural production, should benefit appreciably from membership. Mutton and lamb, which account for about 5 per cent of our agricultural production, are not so far subject to a Community market regulation but, given the opportunity of competing on equal terms with British and Continental producers, our sheep and lamb producers should improve their position significantly.

In the case of tillage crops, which account for 13 per cent of our agricultural production, there is not the same scope for improvement. Our prices for wheat and sugar beet are already at or above the common target prices in the EEC but our price for barley is somewhat below the EEC level. The Community have not, so far, adopted any arrangements relating to potatoes. In the case of the grain-based products, namely pigs, poultry and eggs, which account for about 20 per cent of our agricultural production, we could expect costs of production to go up to some extent because of higher prices for feeding stuffs but there would also be higher market prices to offset the higher costs of production, and so efficient producers should be able to earn a fair margin of profit. The most sensitive sector for us is likely to be horticulture, which accounts for about 3 per cent of our agricultural production. The present protection of tariffs and quantitative import restrictions would have to be removed under the EEC regulations, and this would expose our producers to keen competition. A new scheme of grants for the glasshouse industry has, however, been recently introduced by the Department of Agriculture and Fisheries to enable the industry to increase its competitive efficiency. A common policy for fish has not yet been adopted by the EEC. While there may be increased competition for our fishing industry on the home and British markets, there would be improved access to

Continental markets.

Taking agriculture as a whole, the income of the farming community generally should show a worthwhile net improvement, allowing for some increases in the costs of production and in the cost of living. An important feature of such improvement in farm incomes would be that not only would farmers have more money to spend or to save but that this extra income would come from the market prices for the products and not from the pockets of the taxpayers. For an agricultural exporting country, any system which provides the farmer with a fair return from the market is much sounder than a system under which the non-agricultural sector has to compensate the agricultural sector for uneconomic prices on export markets.

It could happen that, under the EEC system, market developments of one kind or another could depress the market price of a product below the level aimed at as a fair return. To meet this contingency, provision is made, in the case of most agricultural products, for support buying if the overall market price falls a certain amount below the target price. It also could happen that products might have to be exported outside the Community at uneconomic prices. In such event, the regulations provide, subject to certain conditions, for the payment of rebates or subsidies to the exporters. The support measures are financed from a central fund, the European Agricultural Guidance and Guarantee Fund, which, in turn, is financed partly by contributions from member Governments and partly by levies on imports of agricultural products from non-member countries.

We would have to pay a proportionate share of the amount which is met by Government contributions, and this share would be fixed during our entry negotiations. We would also have to remit to the Fund the equivalent of most, or all, of the receipts from levies on agricultural imports from non-member countries. At present, these imports amount to between £20 and £25 million annually, and, if we were to continue to import the same volume from non-member countries and not to transfer our purchases to other members of the Community, the amount of levy payable on them would broadly represent the difference between the world price at the time of import and the EEC price. The present financial arrangements governing the agricultural operations in the EEC are, however, due to be revised by 1969, and so, a detailed analysis of the future financial implications is not possible at this juncture. It seems reasonable to assume that the Irish contribution to the financing of the common agricultural policy would not involve any extra burden on the Irish taxpayer and that the levies on agricultural imports would be far outweighed by the improvement in export earnings. The balance-of-payments position would be strengthened as a result of greater export earnings.

So far, most of my remarks have been related to the price aspect of the common agricultural policy. But there is another important aspect which is now receiving increasing attention within the Community. This is the structural aspect, which covers the whole body of production and living conditions in the agricultural industry. A major task for the Member States is to eliminate the structural deficiencies hampering agriculture, and the Community has decided that the first step should be to co-ordinate the structural policies of Member States. A large-scale operation to gather information on farming conditions and the nature and extent of agricultural production within the Community is at present under way. At the same time, the Community is assembling particulars of farm accounts on typical farms in various parts of Member States, so that farm income can be assessed.

[...]

On the whole, it can be assumed that Irish agriculture will derive worthwhile benefits from membership of the EEC. This applies especially to our cattle industry, which, because of the unequal and distorted conditions under which international trade in cattle and beef is carried on, has hitherto been unable to make the most of its comparative advantages. The dairying sector, too, should benefit appreciably but to a smaller extent. On the other hand, the position for some tillage crops and for horticulture could be more difficult. It should not be assumed, however, that entry into the EEC would solve all problems for Irish agriculture. Conditions for our farmers generally would certainly be better but, after the initial adjustments had occurred, such benefits as would continue to accrue to our agricultural industry would depend entirely on the competitive efficiency of all concerned with the production, processing and marketing of our agricultural

products.

Participation in the common agricultural policy will inevitably have consequences whose impact will be felt throughout the economy as a whole. I have in mind particularly the effect on the level of economic activity generally of improved agricultural income which will accrue from higher prices in both the domestic and export markets and the less welcome effect of such higher prices on the cost of living.

The agricultural sector accounts for about one fifth of our national product. Any substantial increase, therefore, in the absolute level of agricultural income will impart a stimulus to the economy as a whole, through the resultant increase in expenditure on goods and services and, I hope, in savings and investment. Furthermore, it will be possible to effect a redeployment of expenditure at present absorbed by agricultural price supports, which will no longer be necessary in Community conditions. In this way, economic expansion can be assisted through the direction of resources to other productive purposes.

A direct consequence, of course, of the higher prices which agricultural producers will receive for sales in the domestic market is some increase in food prices and, to the extent that this increase is not offset in other directions, some rise in the cost of living. The calculations that can be made under this head are subject to various qualifications. The levels of EEC and world food prices at the time of our entry would be important factors, and these cannot be predicted at this stage. Furthermore, changes in the pattern of consumption which might be induced by the new conditions obtaining would affect the outcome.

[...]

In the industrial sector, our principal concern will be the effect of the elimination of protection against imports from the enlarged Community and the application of the common external tariff to imports from other countries. On the other hand, we shall stand to benefit from the removal of the import duties which the present members and the acceding countries other than Britain apply to our exports to their markets.

We are already in the course of removing our protection against virtually all our imports of British industrial goods, in accordance with the Anglo-Irish Free Trade Area Agreement. The commitments we have entered into under that Agreement will be a good preparation for the discipline of free trade in a wider European setting; they will also facilitate our entry into the EEC. In general, the timetable laid down in the Agreement requires us to complete the removal of protection against imports from Britain over a transitional period ending in June, 1975. Our aim will be to secure somewhat similar arrangements in the EEC.

The Free Trade Area Agreement left us freedom to vary the level of protection against countries other than Britain but, as members of the EEC, we would be obliged to align our tariffs on imports from non-member countries with the common external tariff of the EEC. The obligation to apply the common external tariff on items which are at present free of duty in the Irish tariff will have some implications in relation to materials required for industry but, against this, there will be the advantage of the removal of duties on Irish products exported to other members of the Community.

The degree to which our entry into the EEC would affect our manufacturers' share of the home market will vary from industry to industry. Where the main competition is likely to come from British sources, then the opening of our market to EEC goods may not be a critical factor, since we are, in any event, committed to free trade with Britain by mid-1975. Where, however, the main source of competition would come from other countries of the enlarged Community, the effects of eliminating protection against Community goods will constitute a significant new element.

Membership of the EEC could result in some increase in competition from non-member countries, since the general level of our protective duties is higher than that of the common external tariff. In addition to adopting the common tariff, it will also be necessary for us to bring other aspects of our commercial relations with non-EEC countries into line with the common commercial policy of the Community, which has yet to be worked out in detail.

It would be foolish to pretend that membership of the enlarged Community will not pose problems for Irish industry. But our prospects for a progressive industrial economy providing a high level of employment depend on our having access to expanding export markets, and our objective could not be achieved in the contracting market which would be available to us if we were to remain in isolation.

We are now entering an era in which the only assurance of survival for an industry will lie in its capacity to produce goods which will match those of its competitors in quality and price and to deliver them to the right place at the right time. Obsolete methods, outmoded restrictive practices, or inefficiency at management or production level will bring swift retribution. These considerations are indeed relevant whether we succeed in joining the EEC or not, because we are, in any case, already committed to free trade in the somewhat narrower area of Anglo-Irish trade. The general industrial advance achieved by all the EEC — and, indeed, the EFTA countries — is an encouragement to expect that, if free trade is properly prepared for, most of the difficulties originally anticipated will not materialise.

When our application for membership of the EEC was lodged in 1961, we were prepared, in return for access to the agricultural and other benefits of Community membership, to accept obligations leading generally to the elimination of protection by 1970. Our industries have had the benefit of the intervening period in which to prepare, and they have had available the financial aids and advisory services provided by the Government to facilitate adaptation and rationalisation. A general transitional period extending from the date of our accession to the EEC up to mid-1975 could not now be regarded as imposing an unreasonable timetable on Irish industry.

The first major step in preparing industry for membership of the European Community was taken in 1961, when the Committee on Industrial Organisation began its survey of Irish industry. The Committee studied the industrial situation very thoroughly and its recommendations were comprehensive.

A review of the progress made by industry in adapting itself to free-trade conditions is at present being carried out. An examination of the implications of membership, in so far as our industries are concerned, is also being made, on the assumption that we shall be allowed a transitional period of four or five years for the removal of protection and for the application of the rules of the Community generally in so far as they affect industry. When I speak of a transitional period of four or five years, I mean a period after 1970, which, as I have said, is taken to be the earliest date by which we are likely to be a member.

Deputies will recall that, in its final report, which was published slightly more than two years ago, the Committee on Industrial Organisation estimated that, if our industries were to survive in free-trade conditions, drastic measures of adaptation and readjustments would be necessary. The Committee indicated the measures that would have to be taken if the loss of jobs in free-trade conditions were not to exceed what it considered to be a practicable limit, namely 7 per cent of industrial employment. I should emphasise that, as the Committee explained, its estimate had to be seen in the context of an anticipated net increase in industrial employment by 1970. Although the CIO was unable to give, for all manufacturing industries, an estimate of what would happen if suitable adaptation measures were not taken, it did make such an estimate in respect of the twenty-six sectors of industry which the Committee had surveyed. That estimate showed that, with adequate adaptation, redundancy could be reduced to one quarter of what it otherwise might be, that is, from 21,000 to 5,000.

The most recent information available to me, and, in particular, information about adaptation grants approved, suggests that very substantial progress has been made with the physical aspects of adaptation, such as modernisation of plant and equipment. I cannot pretend, nor does my colleague, the Minister for Industry and Commerce, pretend, to be satisfied with the tempo of adaptation in aspects other than the physical aspects, and, even where the physical aspects are concerned, we should both like to see things going faster. I am aware that the Minister for Industry and Commerce is taking a personal and active interest in this matter, and I have every hope that industry will now realise, wherever it has not yet done so, that we are, at last, face to face with free trade. Broadly speaking, the furthest I should like to go, at this stage, is to say that we are much better prepared for free trade than we were when we first made our application to the Community and, if we are able not only to keep up but quicken the pace, we should by 1970 be able to view

the future with reasonable confidence.

The Government, for their part, vigorously followed up the general recommendations of the CIO by providing industry with the means of modernisation, by way of special adaptation finance, increased technical assistance grants and increased funds for the specialist State agencies which provide such valuable services for industry. The Government have also actively encouraged the establishment and development, within the various industries, of organisations specifically concerned with adaptation activities.

[...]

Progress has also been made in such matters as rationalisation, training, co-operative marketing and design. In some measure, there has been a broadening in attitudes throughout industry which has facilitated such desirable developments as mergers, inter-firm production arrangements and co-operative export marketing, and, by and large, industry is now much better placed to meet conditions of freer trade than at the time of the CIO surveys. I should like to make special mention of the importance of co-operative export marketing and to express my gratification at the vigorous lead given in this by certain industries. These changes in attitudes will, I hope, continue to facilitate progress in all aspects of industrial adaptation.

The success of these policies is shown by the increase of 28 per cent that occurred in the volume of production of manufacturing industry in the five years 1961 to 1966. In that period, the contribution of industry to National Income rose from 27 per cent to over 31 per cent and industrial exports rose by almost 80 per cent raising industry's share of total exports to almost 41 per cent.

While it is good to note the effort which has been made in the past, we must be ever mindful of the continuing improvements in industrial techniques which, we may be sure, will be exploited to the full by our competitors. There are, therefore, no grounds for taking it easy. Our advances on all fronts of the industrial campaign must not only be continued but accelerated if we are to continue our industrial development into the era of free trade.

Apart from the measures taken to improve the competitive position of existing industry, there are other reasons why the Irish industrial sector as a whole should be in a better position to stand up to EEC competition than it was in 1961. In recent years, the policy of the Government has been to seek to facilitate the establishment of industries, many of them oriented almost exclusively towards exports, which do not require tariff or other protection. These industries should have nothing to fear, and indeed, much to gain, from participation in the EEC. We should hope that membership of the EEC, which would provide duty-free access for Irish goods to a vast and expanding market, would enhance the attractions of Ireland as a base for industrial development. Every new industry established would, of necessity, be geared to EEC conditions in terms of both competition and marketing opportunities, thus strengthening further the position of the industrial sector as a whole.

It will be clear from what I have said on the implications of membership for agriculture and industry that it is essential that Ireland's entry to the Community should take place simultaneously with that of Britain in view of our close trading relations with that country. I have stressed this point during my recent visits to Governments of the Six, as well as in my discussions with the British Prime Minister, and expressed our wish that negotiations on our application should, as far as possible, take place concurrently with those of Britain. I am confident that our position in this regard is fully understood and appreciated.

[...]

I have now been assured by the British Prime Minister that, having welcomed most warmly the Irish Government's decision to seek membership of the Community at the same time as Britain, the British Government will do anything they can to further our ends. He has explained that the suggestion for a year's standstill was intended to provide an adequate measure of insurance for the maintenance of Anglo-Irish trading relations in the hypothetical eventuality of Ireland's negotiations falling behind those of Britain, for reasons outside the control of either Government.

It is, of course, of the utmost importance to Ireland that there should be no damaging hiatus in our trade relations and this can be most surely guarded against by the simultaneous accession of Ireland and Britain to the EEC. I intend, therefore, to re-affirm to the British Government, and to continue to emphasise both in our direct contacts with the member Governments of the Six and in negotiations on our application, that it is our earnest desire, for valid reasons, that these negotiations should be so arranged and brought to finality that Ireland will become a member at the same time as Britain. Our position on this matter has been recognised and accepted in the three capitals I have already visited.

Transition to EEC conditions embraces something more than the elimination of protection in the form of tariffs and quotas. It is one of the basic aims of the Rome Treaty to ensure fair conditions of trade throughout the Community in the interest of the fuller and more effective development of the Common Market. Thus, the Treaty contains provisions laying down rules of competition for the purpose. These rules prohibit directly, or provide machinery for the prohibition of, restrictive trade practices such as agreements between trading interests relating to price-fixing, the limitation of production and market-sharing. Similar provisions apply to the grant of State aids, with certain exceptions, such as, for example, aids of a social character or aids designed to promote regional or economic development. Taxation arrangements which discriminate, or can be used to discriminate, in favour of domestic production are ruled out, and provision is made for the approximation of the legislative and administrative practices of Member States where it is found that discrepancies operate to frustrate or distort free competition. There is provision also against dumping during the period before the creation of a single Community market.

Compliance with the rules of competition would not, in general, raise any special difficulties for us. Indeed, the rules would be welcome, in so far as they would provide a measure of protection for our industrialists and traders against unfair trade practices and for our consumers against unduly high prices.

Our State aids to industry would come under review to ensure that they are in line with Community principles. It is thought, however, that, by and large, our aids to industrial development would not be significantly affected.

In the agricultural sector, State aids for the support of prices and certain other purposes would, in general, be replaced by the arrangements set out in the common agricultural policy. As I mentioned already, aids to structural improvements in agriculture would continue to be permissible but would come under scrutiny by the Commission, so as to guard against the distortion of competition.

In the field of taxation, the aim is the elimination of discriminatory arrangements which favour domestic products at the expense of imported products and the harmonisation of taxes which affect the production of and trade in goods. The first major step in that direction has been the decision, taken early this year by the Council, requiring the adoption of a uniform system of value-added tax. We must assume that further similar decisions relating to other taxes will follow over the next few years.

In preparation for entry to the Community, we are currently examining the changes that would have to be made in our tax system to bring it into line with Community arrangements.

Our present system of export tax-reliefs would come under review but I would hope that it would be possible, in the negotiations, to secure agreement to the retention of these measures for their statutory life.

An aspect of competition policy in the EEC which causes us some concern is the procedure for dealing with cases of dumping. While we are glad to note that dumping has not been a problem in the Community, we are conscious of the vulnerability of Irish industry in this respect, because of the smallness of the home market and the size of individual enterprises. We would endeavour to ensure that, in so far as this might be a problem, satisfactory solutions would be available.

Complementary to freedom of movement for goods, freedom of movement for workers, freedom for EEC nationals and firms to establish businesses and other enterprises and to provide services throughout the

Community, and also freedom of movement for capital are all regarded as necessary for the efficient functioning of the EEC. The Treaty provides for the achievement of these various objectives by 1970.

The right of workers to move freely from one Member State to another for the purpose of taking up offers of employment actually made has already been substantially established under regulations adopted by the EEC. The grant of this right in our case would not, it is thought, have more than a marginal effect on the Irish labour market. Given the general scarcity of labour in most of the present Member States, it seems unlikely that there would be any large inflow of workers. On the other hand, the degree of outflow would continue to depend primarily, as at present, on the employment opportunities available at home.

Our policy as regards the right of establishment and the supply of services by non-nationals is generally liberal. Our insurance legislation is, however, protective, and some aspects of our practice in this field may have to be reviewed to bring them into line with whatever arrangements are adopted in the Community. Only very limited freedom has, so far, been established by the Community in the insurance sector but it is to be expected that greater freedom will gradually be realised.

The provisions regarding freedom of establishment apply to the purchase of, and settlement on, land. They are subject, however, to the principles of the common agricultural policy, which take into account the distinctive nature of agricultural activity, including its structural aspects. As in the case of insurance, only very limited progress has been made, so far, by the EEC in bringing the provisions into force. Bearing in mind the importance of farming in the Irish economy and the need to improve the structure of our agriculture, we would hope that it would be possible for us to retain sufficient regulation over the disposal of land to enable us to apply policies adequate to our needs.

As regards capital, while there is free movement of capital between Ireland and Britain, capital movements to all the present EEC Member States, none of which is in the sterling area, are subject to exchange control. Our existing practice under this head would not comply with Community requirements in various respects, even though the Community has still some distance to go before full freedom of capital movement is achieved between the Member States.

In common with the other sterling-area countries, the object of our exchange control practice is to protect the monetary reserves of the sterling area, of which we are a member. Our practice generally parallels that of Britain, this being necessary to preserve the free flow of funds between the two countries. It appears that Britain proposes to seek transitional arrangements for the application of the EEC provisions to certain types of capital investment. The question of suitable arrangements in this connection will also arise in our case.

I may add that membership of the EEC may be expected to enhance the flow of investment capital to Ireland both from the Community and from other sources.

[...]

One of the objectives of the Rome Treaty, as recorded in the preamble to it, is the strengthening of the unity of the economies of the member countries. This unity rests basically on the customs union, as extended by the common agricultural policy, the free movement of persons, enterprises and capital and the application of common rules designed to equalise conditions of competition. The effectiveness of these measures could be considerably diminished if the member countries pursued conflicting or divergent economic policies. According as the Common Market develops and economic barriers disappear, the economies of the member countries will become increasingly inter-dependent and conditions in one country will exert a greater influence on conditions throughout the Community as a whole. In these circumstances, inconsistent national policies could damage or impede the functioning of the Common Market and thereby render more difficult the task of achieving economic union.

The Rome Treaty, therefore, includes a number of provisions which are designed to secure the co-ordination of the economic policies of the Member States.

I have no reason to believe that membership of the Community would give rise to difficulties for us in the field of economic policy. The aims of the Treaty in this respect are acceptable to us. Indeed, we would support strongly any measures designed to ensure balanced and steady expansion in the countries with which we would be closely linked, since the Irish economy is, by its nature, sensitive to the external environment in which it has to operate. The achievement of our own economic aims would be greatly facilitated by Community measures to sustain and ensure a steadily rising level of economic activity.

Reactivation of our application for membership of the European Economic Community and the uncertainty as to its outcome have particular implications for economic planning.

[...]

In these circumstances, the Government have decided that the best course is to proceed as follows:

First, to complete the review of progress under the Second Programme, supplementing it by reference to the re-assessment of industrial preparations for free trade now proceeding and linking it with the 1967 review of both industrial and general economic conditions. All this will be done in consultation with the NIEC.

Secondly, according as the EEC position is clarified, a programme of policy and action will be prepared which will be specifically related to the external trading conditions Ireland is likely to face within the next few years. This would most usefully take the form of a Third Programme.

Meanwhile, there will be no hiatus in economic planning. For the immediate future, the objectives will be, first, to get back to a steady, sustainable growth rate based on a realistic view of what can be attained in the short term, and on careful management of all internal disturbing influences, particularly public expenditure, credit and money incomes; secondly, to improve efficiency and raise productivity in all sectors so as to prepare the economy for increasing international competition; and, thirdly, to initiate the changes in attitudes and policies necessary to set the Third Programme firmly in the perspective of the eventual aim of full employment.

This interim planning will be directed towards making the best use of resources within the limits of a tolerable balance of payments deficit; it will be based on the annual review of industry and of economic progress generally, and will be guided by budgetary and other *ad hoc* policy.

Preparatory work on a Third Programme will proceed contemporaneously and will be associated closely with the analysis now required to assess in detail the implications of EEC membership and its effects on the economy. As the likely outcome of our application and the conditions of entry, including transitional arrangements, become clearer, the preparatory work can take account of them to provide a realistic basis for economic policy over the period of the Third Programme. Commencement of this period need not necessarily coincide with the expiry of the current programme, and it might also cover a shorter period than the seven years of the Second Programme.

The course of action I have outlined will make the best use of the limited expert resources available in the public service and in the private sector. It will permit concentration of effort on the first priority, namely, the negotiation of satisfactory terms of entry to the EEC and assessing the implications of membership, while, at the same time, integrating the results into the framework of medium-term planning. It would be difficult, if not impossible, to do this efficiently if resources were diverted to a formal reshaping of the final stage of the Second Programme.

[...]

The tendency towards harmonisation, which the operation of the Common Market favours, is being assisted by a process of collaboration on various aspects of social policy, such as employment, working conditions, labour and trade union legislation, social security and vocational training. This collaboration takes the form of the promotion of studies, the giving of opinions and the organisation of consultations.

There is one aspect of social policy in respect of which membership of the Community entails a specific obligation, that is the application of the principle of equal pay for the same work as between men and women. In the case of a newly-accessing country a transitional period would, no doubt, be negotiable. The existing Member States allowed themselves a four-year period up to 1962, which was subsequently extended, but the principle is not yet uniformly applied throughout the Community.

Membership of the EEC also entails membership of the other two European Communities, the European Atomic Energy Community — EURATOM — and the European Coal and Steel Community — ECSC. Parts II and III of the White Paper on the European Communities gave particulars of the objectives and the provisions of the Treaties which established these two Communities. The six member countries have recently merged the separate Councils and Executives of the three Communities, and this will pave the way for the eventual fusion of the Communities.

As a member of EURATOM, we would have a right of access to the results of that Community's research into the application of nuclear science and techniques in medicine, agriculture and industry and to other nuclear facilities. Looking ahead, this could be very useful in the context of the erection of a nuclear power station, when that question eventually arises.

As far as coal is concerned, membership of the ECSC would not involve any onerous obligation for this country. Policy as regards coal production has been considered from time to time by the ECSC in the light of efforts to evolve a co-ordinated policy covering the different sources of energy. The three Communities, in consultation with one another, are working towards a common energy policy and have agreed on certain general objectives for the eventual policy. It is not expected that these would raise any difficulties for us.

Our entry into the Communities would involve the elimination of import duties, and other restrictions, on trade in iron and steel with the Member States but, as in the case of the removal of industrial protection generally, we would hope to secure a transitional period for the purpose. Adaptation measures are already being taken in the steel industry to meet the increased competition which will result from the reduction of import duties under the Free Trade Area Agreement. The position of Irish Steel Holdings is at present the subject of comprehensive examination, which will take account of the implications for the company of our membership of the Communities.

[...]

In describing the obligations of membership of the Communities and how we stand in relation to them, I have endeavoured to give an insight into the impact of Community conditions on various aspects of our economic life. It is impossible to quantify, in any meaningful way, the effect of this impact in all its ramifications. As I said earlier, much will depend, particularly in the important industrial sector, on the transitional terms that can be negotiated, and, by this, I mean not alone the duration of any transitional period but also the stages by which the transition to Community conditions would have to be effected.

Much will depend also on the speed with which the process of adaptation to Community conditions is carried through, both in the time that remains before our entry and during any subsequent transitional period. It should not be necessary to point out that measures of industrial adaptation can most effectively be applied during the interval before entry, when we have freedom as to the measures we might adopt. I make this point in order to remind those who have been slow to prepare for free trade conditions of the advantage of acting now.

Another factor which will influence in a substantial degree the performance of the economy in Common Market conditions is the general economic climate, not only within the Community, but throughout the world. There is every reason to hope that economic conditions generally will continue to favour a steady expansion, as has been the experience over the past decade. The continuance of such favourable conditions will greatly assist our own efforts to surmount any difficulties which participation in the EEC may present.

Having carefully assessed the prospects in the light of all the available information, the Government saw no reason to depart from the conclusion reached in 1961 that it was within our capacity to assume the obligations of membership of the EEC and that the national interest would best be served by so doing. It was this consideration, allied to the desire to play our part in the creation of a new Europe, which prompted the Government to revive our application for membership when the opportunity presented itself last May.

There may be some who, while recognising that our destiny must inevitably be linked with that of an enlarged Community, will argue that that link should, as a matter of our preference, take the form of association rather than membership. Those who put forward this proposition must define precisely what they mean by association, a term which embraces a wide range of possibilities. They must recognise that an association agreement would have to provide for a balance of advantages and that any abatement of the obligations assumed, as compared with those of membership, would have to be matched by a reduction in the advantages received.

An obvious question presents itself: what obligations would they wish to see abated and what advantages would they be prepared to surrender? Another question that can be asked is: what is their attitude to the abdication of any right to participate in the formulation of Community policy in areas such as the fixing of the levels of agricultural prices or the negotiation of trade agreements with other countries? I bring up these questions in the hope that, if this issue is raised, it will be in terms worth debating and not in the form of airy generalities.

In conclusion, I would like to say something on the situation we would face if the present initiative to bring about an enlargement of the Community should fail. There is a danger that this possibility may tempt the less enterprising to sit back and do nothing, in the expectation that, if we fail to join the Community, there will be no need to prepare for the more rigorous conditions of free trade. This is a delusion. First, there is our commitment to free trade with Britain. Second, as the Government have repeatedly pointed out, world trade is moving towards freer conditions of competition. An example is the changes wrought by the Kennedy Round negotiations in the GATT, which will result in cuts in industrial tariffs by major trading countries of the order of 35 per cent. This is not the end of the matter. We can expect that there will be continuing efforts to bring about further reductions in tariffs and non-tariff barriers. This will mean increasing competition in our principal export markets. Moreover, the failure of international efforts to secure a corresponding freeing of trade in agricultural products puts an even greater burden on the industrial sector if we are to maintain the rate of economic growth we desire.

Finally, it should not be assumed that failure of the present initiative to bring about an enlargement of the EEC by the admission of Britain, Ireland and other countries would necessarily mean a continuance of the status quo. It is impossible to predict the response to this situation if it should arise. However, the challenge thrown up by such a situation would be likely to generate new thinking and new ideas, with, perhaps, proposals for changed or new trade or economic groupings outside the EEC.

The effort put into our preparations for membership of the EEC would not, in those circumstances, be wasted. In fact, the more comprehensive our preparations, the better placed we would be to participate in any alternative trading arrangements or economic groupings that might be open to us.

It would be short-sighted in the extreme, therefore, to slacken our efforts because of any uncertainty felt about the future. Whatever the future may bring, common sense demands that we should continue, with all speed, the work of building a strong and competitive economy. This must remain our primary objective in all circumstances.

I think it will be clear from what I have said that, sharing as we do the ideals which inspire the movement towards European unity and accepting the means adopted by the Community towards this end, the achievement of membership of the Community must be a main objective of our national policies. While patience and perseverance will be necessary in pursuing our application, my visits so far to the capitals of the Six have increased my confidence in the ultimate certainty of the Community being enlarged to include Ireland, Britain and other countries.

There may be people who still have reservations about our entry to the EEC, but I think it must be clear that our future lies in participation in a wider economic grouping. Failure to achieve this objective would result in economic and political stagnation. We would be deprived of the favourable external opportunities we need for the expansion of production and the provision of new jobs for a rising population. The economic consequences would be too serious to contemplate even for those whose material well-being might hitherto have seemed invulnerable. Our people constitute a community in which each of us suffers if our neighbour suffers, and in which each of us accepts some restraint on his freedom of action in the interests of the community as a whole.

In the wider context of Europe there is taking shape another and greater Community to which we feel we should belong. This Community of peoples is inspired by an ideal which has led countries to accept restraints on their individual freedom of action. This ideal is that of a united Europe, economically strong and a powerful influence for peace. Some pooling of sovereignty is necessary to give the Community life and the capacity to grow into something greater than the sum of its parts. This is an ideal in the service of which we, too, in common with the other peoples of Europe, wish to play our part. The freedom we enjoy has been hard won. Other nations have fought hard for their freedom and they treasure it no less than we do. The countries which have subscribed to the Rome Treaty value what they have achieved as separate nations. They value, too, what they are creating in common. Our wish is to share in this great task.

I, therefore, recommend the motion for the approval of the House.

[...]

Mr. Corish:

[...]

The Taoiseach has been speaking for approximately an hour and a half. First of all, I should like to compliment him on making the first fairly lengthy speech on our application to join the EEC for many years. I do not believe there has been any major debate on our application for entry since about six or seven years ago. It seems to me that the Taoiseach and members of the Government still have not learned a lot. I and members of my Party certainly cannot share what appears to be the optimism and complacency of the Government with regard to what our position will be, should we become members of the EEC.

Without being too optimistic, the Taoiseach should have been factual and much more informative than he has been. I will say this for him, as against some of the booklets we have got from the Department of Finance, he has tried in some small degree to relate membership of the EEC to its implications for this country. We are doing a service to the country by voicing what we believe to be the concern of a great number of people as to the attitude of the Government towards membership of the EEC. We want to condemn the failure of the Government to put all the facts before the Irish people, and to condemn their failure to balance the advantages before reactivating our application, should Britain decide to apply.

Our amendment is still justified. After a speech lasting an hour and a half, we still have got little information. I was quite amused to hear the Taoiseach, apropos our amendment and the questions we have raised, saying that we must show what the implications of Irish membership of the EEC would be. It is true that we have the Library, and it is true that we can read the Government documents, but we have not got the same resources as the Government, not only in the Civil Service but in contacts abroad. We expected the Taoiseach to relate membership to the EEC to Irish conditions as they are now, and as they may be, if and when we attain full membership.

We tabled questions for very many months, and since the first application of Ireland for membership of the EEC and we were told that this information was not available. The Minister for Agriculture and Fisheries, Deputy Blaney, was asked the possible effects of the agricultural policy of the EEC on our balance of payments and on our agricultural industry and he said they had not a clue: they had not investigated that

aspect for the first industry in the country. We were told that no such basic calculations had been carried out. Have they been carried out yet or are the National Agricultural Council engaging themselves in this problem to see how we shall stand as regards agriculture and our balance of payments if we become members of the EEC?

Our concern in this matter is not newborn. Last November, we tabled a motion which, at the time, did not get to the floor of the House. Again, there was no real effort by the Taoiseach in initiating the debate. He has been all around Europe. He has been in Bonn, in Rome, at The Hague and now he proposes to go to Brussels, Luxembourg and Paris. We do not know what is happening. Is the Taoiseach merely going to these gentlemen and asking them if they will support our application? I do not expect him to enter into detailed negotiation with those people but is he making them aware of our undoubted difficulties?

There is no use in talking about our marching proudly into Europe so long as we have a prospect of unemployment. We should not be ashamed to voice our difficulties. They are plainly visible in the details given out from month to month and, broadly, during Budget time. We are doubtful about the benefits of the EEC. The Taoiseach seems to think that everything will be rosy so far as agriculture is concerned and that we do not have to worry too much in regard to industry and, generally, the Government seems to hold the view that the balance of advantage will be with us. If I were convinced of this, I should change my attitude in regard to our agricultural industry but nothing the Taoiseach said here today has convinced me that we shall have the balance of advantage five, ten or 15 years hence.

The requests for facts from this side of the House have been frequent but have always met with a blank. We were told we were embarrassing the Government — embarrassing the Government because we wanted to know what would happen to people who are now engaged in the manufacture of furniture, because we wanted to know the employment prospects for people in certain industries which are now under protection and which, under the strict terms of the Treaty of Rome, will have to be divested of that protection by 1st July, 1968. Because the Labour Party were asking the Taoiseach and the Minister for Finance to go to Brussels, and other places, and to ask for concessions in respect of these factors, we were embarrassing the Government. This situation of non-availability of information is to be contrasted with that obtaining in the British Parliament where the fullest information has been given, but here, since 1961, we dare not ask a question — so much so that one of the newspapers giped at myself and I think a Fine Gael Deputy for asking these questions as we were only embarrassing the Government.

Anything we say is said in good faith and in the interests of the people — and, of course, there is no real purpose in this motion by the Taoiseach. I think we are all agreed that it is put down merely to have a debate on membership of EEC. Whether or not the Dáil votes in favour of the motion does not make any difference because it is the Government who will decide whether or not application shall be made.

The decision on whether or not we should become members in accordance with the agreement that may be made between the EEC and this country will come before Dáil Éireann and then we shall have to vote. I am pretty certain of the type of vote we shall have on that occasion. I do not suggest that members of the Fianna Fáil Party are not aware entirely of what is going on but every Member of this House should be acquainted with every single detail of the implications of membership of Ireland of the EEC. When it comes to the Dáil, however, it will be something like the Anglo-Irish Free Trade Agreement — it may be too late, because, by the time that agreement came to the Dáil, the damage had been done. The Government Party just trooped into the division lobby and voted for what they were told was a good Agreement. Events have proved the contrary. We remember the optimism of the Government during the four-day debate in January of last year, an optimism they would not voice now, particularly as far as agriculture and the cattle trade are concerned.

I do not believe any Deputy can fully discharge his or her duty not alone to constituents but to the nation as a whole without being in possession of the full facts in relation to the Government's decision to reactivate our application. We are inclined to gloss too smoothly over these matters. This will be the biggest decision Dáil Éireann ever made and I include in that statement the Treaty debate and the Treaty decision. An awful lot of things will be decided. We talk about the fight for freedom, about independence, about full employment and about Second, Third and Fourth Programmes. We shall have to know everything that is to be known about

Ireland's position within the EEC before we can give final judgment on it. It would seem that the Government Party accept the Taoiseach's broad assurances that everything will be all right and therefore I assume they will vote without question for membership of the EEC. To do so on that basis would be wrong. We in my Party will ask all the searching questions possible in order to elicit the facts to enable us to arrive at a decision.

The Taoiseach suggested that I or somebody in the Opposition should mention another course of action and show how it could be related to Ireland. It is the job of the Taoiseach to do that. We want him to do that. This is not any old decision. It is not even the Marts Bill or any of the amendments on it. This is a decision not alone to remove our trade barriers but to give to a federation of European countries a great portion of our sovereignty. This is a serious decision. It is something the Taoiseach has not emphasised. It is something that has not been mentioned until recently, until we reactivated Ireland's application in the past three, four or five months.

The debate cannot contain full discussion until all the information is available to us. I do not think the Government want to do this. It would appear to anybody who has studied the matter or who is interested in it that the Government are trying to railroad this country into membership of the EEC without the various details and implications of such a step being available to every Member of this House.

Consider the importance of this decision and the absence of facts as related to Ireland. We refuse to endorse this motion which stands in the name of the Taoiseach because the advantages and disadvantages of full membership of the EEC are not made known to us and — let me say this specifically to the Taoiseach — an assessment of the alternatives has not been made. Up to this, the policy seems more or less to have been "Get in". I do not think that is an unfair assessment of the Government attitude: "Let us get into Europe". It is all very well to talk of our missionaries and to say that we have the same culture as the people in Europe. We share an awful lot of things with them. Desire for world peace: opposition to communism — we are at one with them on these. That is all very well but it will not provide work or give our people a break.

Up to this, the attitude seems to have been: "If Britain joins, we do". It is very sad for Ireland to say that, 51 years after 1916, we have to admit, without saying it in words, that we have no freedom of choice. This is something we have to consider as well — our absolute dependence on Britain in things economic. It has been said repeatedly, sometimes in different ways, that we have no choice and that if Britain goes in, we go in, that we have no freedom. This demonstrates our dependence on Great Britain, after 45 years of what we call partial freedom. We have done nothing to rid ourselves of this financial and economic dependence — and shame on us — over the past 45 years.

This is a complex problem. It is not confined to the lowering of trade barriers. It needs detailed study and it is related to all aspects of economic and social life in Ireland. I believe, therefore, that if we gave approval, even though in fact it is not approval for the Government because they can do this on their own, it would be buying a pig in a poke. We have not got the facts and we cannot tell the people, the factory worker, or the farmer, what may happen in any sort of broad way. If we do that, then as a Party and individually it would be tantamount to the abdication of our responsibilities.

I do not know whether the Government have considered other courses. At one time they did. In a Dáil debate on 26th April, 1960, the former Taoiseach said that the best situation possibly for us would be an association with the Common Market if Britain were also a member of it, on a basis which would satisfactorily take account of our economic circumstances. This attitude was reiterated in a Government White Paper of 30th June, 1961. However, the Government decided to abandon that attitude. They disregarded that attitude without making any sort of public announcement. We asked the former Taoiseach to consider the implications of associate membership but we did not get any information about that. Since then, for seven years, we have had exhortations to prepare ourselves for membership of the EEC. Again, over that period, there was no elaboration of this attitude of the Government towards the idea of association. Coming back to the White Paper of June, 1961, the Government said in it that they would endeavour to secure terms of membership or association which would satisfactorily take account of our economic circumstances.

Today the Taoiseach dealt only with full membership. He would have done a service to the House and to the nation, and certainly to Deputies, if he had listed all the disadvantages, if he thinks there are any, in association but he dismissed it as if it had never been mentioned in the White Paper or by the former Taoiseach, Deputy Lemass. As a matter of fact, the White Paper said: "It is not possible to state the specific implications of Ireland's membership of the Community as these would depend on the outcome of the detailed negotiations which would take place in the event of our applying for membership." Could the Taoiseach or some member of the Government, say in Finance, Agriculture or Industry and Commerce, not give something a little more specific about how our difficulties could be related to membership of the Common Market? It was probably impossible for the Taoiseach in an all-embracing speech to do this but in fairness to the Taoiseach, it should be done by some Government spokesman within the next two days.

[...]

As far as information is concerned, we were promised a White Paper six years ago. This was promised in paragraph 6 of the White Paper to which I have referred. Where is it? When will it be discussed? Again, in fairness to the Taoiseach, the speech he made today is a far better document than what were intended to be White Papers and which in fact were purely summaries or paraphrases of the Treaty of Rome. Again, this demonstrates to me that the Government in the past four or five years have not been concerned about membership of the EEC, possibly because de Gaulle said no, and they were very pleased that he said no. The Taoiseach says that we should not disclose our hand because it would weaken our position. Do they not know exactly the state of our agriculture and of our industry, of our social welfare system, our educational system, our fiscal policy and our taxation policy? We do not have to disclose anything to them because they know it already.

The British were not afraid to make known their details of entry, to some extent. The Taoiseach was good enough to have circulated the speech made by Mr. George Brown to the Western European Union in The Hague where he put in certain qualifications with regard to milk and butter but we are going in with our hands up rather than out. Denmark, too, stated their conditions in regard to the Agricultural Fund. They made this qualification but they said that they were going to negotiate on these matters. These may have small problems, the British as far as the Commonwealth countries are concerned and Denmark as far as the Agricultural Fund is concerned. Sweden suggested that it would have a stipulation to make if it decided to apply for membership. Therefore, I do not think the Taoiseach's argument is valid when he says that the Irish cannot disclose their hand because it would prejudice the discussions. I do not know what sort of discussions he had with the heads of Europe whom he visited recently but we are still waiting for this promised White Paper and all we got was the Taoiseach's speech which, as I said, is optimistic and too complacent.

It is fair to say that we suspect the Government's failure to promote and participate in a debate on the EEC possibly stems from lack of knowledge. The Taoiseach, quite rightly, has to be briefed when he goes abroad. He may be one of the prime negotiators and he certainly has to know his Treaty of Rome and the Irish economy. Similarly, the Minister for Finance — he may be "Mr. Europe" — has to have himself well briefed and know the Treaty of Rome, but do other members of the Government know about the implications of Ireland's entry to the EEC? Have any of them related their Departments to conditions in the EEC and what may be required of them, not this year or next year, but in the years to come, when it is hoped that not alone will there be a rise in incomes so far as salaries and wages are concerned but a fairly generous and even social welfare system? According to the Minister for Social Welfare last week, he was not too concerned about this and as far as rationalisation is concerned, he is not bothered.

I do not think it is sufficient for the Taoiseach to say: "Why not treat of the alternatives?" I suppose I could over a fair period, or if I had the advice of the economists in the Department of Finance and the experts in the Department of Industry and Commerce and those who know the agricultural industry inside out, but the Government's position is not only to convince the Dáil that we should go in a certain direction but also to show why we should not go in other directions and why we must join if Britain joins. I have not heard these arguments yet. It is true that 75 per cent of our trade is with Great Britain. But is there no alternative? If

there is not, let the Taoiseach tell us and show us there is not.

Is it possible we would be better off by association, with eventual membership? Is it possible and have the Government concerned themselves with the idea of full membership with long periods of delegation in specific areas where the economy is weak? Or is it, as would appear from the Taoiseach, that what we are concerned about only is full membership with no preconditions? We can go into this first league soccer game without having regard to any of our weaknesses. The Taoiseach refuses to disclose his hand. We want to go in as the equals of industrial Germany and agricultural France. Is it possible — this may not be attractive and we have not discussed it — that in the event of Britain not getting in, we may have a trade agreement with the EEC in accordance with one of their Articles? There are four, five, or six different courses we could take. They have not been offered to us at all, except the one in which we say that we want to go in as full members. “Please, Sir, we want to be good boys and we will do everything you ask of us.”

We are concerned with two major things as far as membership of the EEC is concerned. First, we are concerned about the political nature of the EEC itself, which does not seem to be clearly appreciated by the Irish people. As I said, the impression seems to be that, when people talk about or comment on the EEC, they think in terms of tariffs being stripped and agriculture doing well. That is the extent of the knowledge of the majority of the Irish people. They believe it is a Common Market in which the barriers are down, in which we may not be able to sell more of our industrial goods, in which there may be a little unemployment but in which agriculture will do well. As the Taoiseach said, the objective of EEC is a Europe united economically and politically. We are inclined to think in terms of the person who believed that Common Market was groceries and not politics, as against Mr. Wilson’s statement about its being politics and not groceries. This is something the Irish people have to appreciate and something on which they should be informed, before they, through their representatives, make this vital decision.

It may be a good thing that we should be integrated with Europe economically to the extent that it may reduce in the near future what appears to be our dependence on Great Britain, but in the interim, in doing that, we should be concerned to ensure that this process, this rigorous process, will not mean further damage to our economy and further depopulation of our country.

Again, we have to ask ourselves what are we giving away politically for the alleged economic advantages the Taoiseach spoke of. He talked about giving away a little piece of our sovereignty, as one does when giving away a cubic inch of something. In fact, we are giving away quite an amount. We are surrendering our political sovereignty by a common defence policy. Do the Irish people know this? Some of them know it, but is it appreciated by those who elect representatives and elect Governments? Do we know we are giving away the right to make economic and social policies that are going to have an effect on the Irish people, the majority of whom believe that within the Common Market, the Taoiseach, his Ministers and Deputies are going to make these economic and social decisions?

As the Taoiseach mentioned today, we are going to give away the right of the Irish Supreme Court to be the final arbiter and hand it over to this European court. It will be the right of the Council of Ministers to make all major decisions. I may be told that we will have a voice, but it will be a relatively small voice. When these people make decisions, it will not be out of any affection for the Irishman, his culture, religion or anything like that. They will not vote in favour of Ireland if Ireland needs a favourable decision. We are going to give to the Commission the right to make binding regulations. We ought to be clear on this as well. The Council of Ministers make the decisions on various aspects of social and economic policy, but the Commission can make regulations. It is just the same as giving any Minister here power under, say, a Planning Act to make regulations, because these regulations will be binding. If there is a policy in respect of agriculture, transport, energy, competition in trade, while the general policy may be specified and to some extent laid down, the Commission will administer that by regulations and these regulations will be binding. If anybody wants to object, they do not go to the Irish Supreme Court, but they have to go to this court in The Hague, or wherever it is. We are going to surrender all these rights for what are, as far as I know at present, alleged economic advantages.

I would like to pose this. Are the Irish people aware of the political commitment they are being asked to

make? As far as I can, I am trying to stress what they are giving away. This should be done in a forthright fashion by members of the Government Party, particularly those on the Front Bench. Are we being required to abandon our traditional role of neutrality? Nobody seems to be able to answer that question.

[...]

Mr. Cosgrave:

[...]

Up to the present the Taoiseach's speech has been merely an up-to-date rehash of everything that has been said before, with a bit thrown in from Mr. Harold Wilson and a bit about his trips to the capitals of Europe. It is both dishonest and futile for Ministers and the Government to go on in ministerial speeches urging the people and sections of the community to prepare for EEC membership when the Government themselves either do not know or are not prepared to say what they intend to do in so many of the vital areas in which they have direct control.

There is one thing I would advise the Government to do. At least, take some action. The former Taoiseach was a great believer in action and, God knows, he took action on many occasions and a great deal of it in the wrong direction but, at least, he went somewhere. The idea of postponing a decision on matters because they are difficult, because they do not turn out to be what was anticipated, because they are afraid to present to the people the results of the Second Programme survey — that is the most fatal decision of all — to do nothing — to brush it under the carpet.

If the Government have given attention to these problems — and there is no evidence publicly that they have — they have been grossly negligent in not informing the public of their conclusions. Recently, this White Paper was published. That is mainly a historical document putting into one book all the legislation that is decipherable and digestible for Government Departments and the statutes affecting the various communities — the EEC, Euratom and ECSC. It is not a White Paper on the implications involved in membership. That is merely a historical account of what has happened up to the present.

Five years have elapsed since we applied for membership. There was ample time to give the fullest study to all these matters and to get across to the public all that was involved and all that would have to be done. The job was not even attempted and valuable time which cannot be replaced has been lost by the ineffective dithering of the Government. Let us hope that even at this late stage the Government will recognise their great responsibility and will initiate a realistic programme of preparation in the little time that is left.

I want to conclude on this aspect of the matter: It is often said that we have no choice about whether or not we join the EEC. That is not true. We have a choice. It is the choice between remaining a small island on the outer fringe of Europe, culturally isolated — though in that regard I do not suppose Fianna Fáil would be a stranger — economically stagnant, or joining with the other nations of Europe in building a new order, a new European community which by uniting all in a common aspiration for the future will cancel out the disastrous hatreds and divisions of the past. This is the choice which we as a sovereign state freely make. This is the choice we must make and those who seek to avoid the implications of that choice by claiming that no choice exists are simply seeking an excuse to opt out of the responsibility to participate in the major national effort which will be necessary, if we as a nation are to play in an united Europe the role open to us.

It must be remembered that we belong to Europe historically, culturally and geographically. We, therefore, have the same responsibility as a nation to contribute to the building up of Europe as the individual citizen has for the development of his own local community or county. For us to opt out of Europe would be the same kind of action as that of an Irish person who decided to spend the rest of his life in some small island off the coast, cut off from modern life. There is an occasional person to whom that sort of thing appeals but it is certain that it would not appeal to the majority of the Irish people who would not be long in joining the Common Market as individuals in the event of this country staying out as a nation.

[...]

The modern European movement is designed to eliminate the conflicts and controversies that have harassed Europe over the past 70 or 80 years and it is also well to recognise that the modern European movement, in which we should and could as a member of the European community play a part, is aimed at the restoration of the ancient unity of Europe. In fact, it is well to emphasise when there are comments made on problems of sovereignty, problems of political limitation, that the policies and traditions associated with the Independence Movement, the policies as adumbrated by the Fenians and as outlined in Sinn Féin by Arthur Griffith, all recognised that independence in Ireland would not mean isolation from Europe.

Concern has been expressed by some people that our national identity may be lost in a united Europe. Surely, national identity does not depend on barriers artificially erected against trade and the free movement of people and ideas? All that is best in our national character should thrive on the stimulation and challenge of interplay with the rest of Europe.

One of the criticisms that has been expressed is that we may be dominated by the large powers. This talk, I believe, arises from a misunderstanding of the realities of international life in present-day conditions. In the modern world, with these superpowers and massive concentrations of economic and military strength, the small country, by itself, has virtually no influence either over its own or anybody else's fate. That is why international institutions actually favour a small country. Such institutions give formal recognition to the small country's rights. Through these institutions the large countries are at least compelled to listen to the views and take account of its problems and interests. In fact, through international institutions, the small country is able to combine with other countries for mutual advantage. I think it is correct to say that, for all its weaknesses and limitations, the United Nations is an excellent example of how an international institution can increase the influence of the small country.

In the particular case of the EEC, the institutions provide specifically for protecting the rights and interests of the smaller members. These institutions are firmly founded on community principle. The community as a whole has responsibility for the welfare of any member or area. That is a protection which this country does not have at the present time. That was one of the things we emphasised during the discussion on the Trade Agreement last year, that we had committed ourselves to a position of unrestrained competition with a large neighbour and without the protection of any of the institutions involving a giant partner such as is involved in the European Economic Community. During the debate at that time, Fine Gael emphasised their concern in an amendment moved at the time, at the inevitable effect of free trade on employment and emigration. We expressed our concern at the terms as negotiated, on the basis that they were unbalanced. Time has proved the correctness of that view.

The EEC is a different institution. The EEC is an institution in which the safeguards are laid down and enshrined in the Treaty. We do not suggest, nor do we believe, that it is perfect. We believe that it faces this country with the greatest challenge since independence, a challenge politically, economically, socially and educationally. The social challenge was emphasised again yesterday when in Britain the British Minister without Portfolio announced further improvements in British social welfare payments. These are questions which will and must affect our interests.

With all these problems, with all these, in many cases, unanswered questions to which we think this Government should provide an answer, we believe that the preparatory steps that have been taken are inadequate, as I have demonstrated, as the facts proclaim and as events and circumstances have proved. However, if Britain goes in, there is no economic future for this country outside the EEC. If Britain does not go in, then we have got to think again. Whatever the ultimate decision is on membership either for Britain or Ireland, the essential economic development work involved in preparation for the competition inevitable in modern life cannot be postponed or delayed further. The only responsible body that has failed to give the lead, that has failed to take the necessary action, is the Government. That is proved by the facts. That is why we have put down this amendment. That is why we want the facts disclosed now to the Dáil and the country so that the people may know the challenge before them. They are entitled to know the facts and they are entitled to be given the full picture.

[...]

Sir Anthony Esmonde: The former Taoiseach made it quite clear to the House on several occasions that the Government were prepared to accept the full implications of Common Market membership. My only quarrel with the Government is that they have been so long about doing anything to reactivate our application. For the benefit of the previous speaker, I say that it is very hard to divorce politics and economic considerations. To my mind, the Common Market was founded in an attempt to secure for Europe the peace which she had been denied for over 100 years to the grave detriment not only of Europe but the world as a whole. I was glad that the Taoiseach came in today as the first member of the Government to give any information to the House on the political views of his Party in relation to EEC but in spite of the very long speech he made he really gave us very limited information as to the aims and objects of the Government in relation to EEC.

It is true that, at London Airport, I think, when he landed on his return from his interview with the Italian Government, he told newspaper reporters — whether Irish, British or continental, I do not know — that in the event of the United Kingdom not getting into the Common Market, our application would cease to be activated. Those may not be the exact words used as I have not got the quotation here but he did not go as far as that in the House this afternoon. What he did say was that it could be assumed that our application would run in conjunction with the British application, which, I suppose, is tantamount to the same thing, that our application is, as I have always maintained, a joint application along with the United Kingdom.

That is wrong. I think the Taoiseach would be well advised to change his tactics. If he wants any indication as to why he should do so, he should look at the past history of relations between the two countries, and if he wants something more up to date, more in keeping with the present position, he need only read the speech which all Deputies now have at hand made by the British Foreign Secretary. No doubt they will know the meaning of that speech. There is one paragraph which says that they anticipate that the British application, if accepted, may mean that the others can wait in the queue. In other words, I would read it as meaning that we would, perhaps, by our application, the Danish Government by theirs, and subsequently the Norwegian Government by theirs, help consideration of these applications within the confines of the Common Market, help the British Government over the wall and that when they got in, as they think they will, they will do their best to help us in afterwards. Is that a sound basis of trust and negotiation on which to have two sovereign countries negotiate for entry into EEC?

It ought to be clear to the Taoiseach now that there are three courses open to this country. The first is to pursue the course he is pursuing, in which case, in my humble opinion, those we are negotiating with will not accept us as a separate and individual application and therefore will not consider us as a separate entity in our attempt to get into the Common Market. That is one way. Another way we could do it is to watch the British get into the Common Market and hope we would get in afterwards. The third way would be to remember that we have jurisdiction and control, complete hegemony and the right to conduct our own affairs and to make a separate application as a sovereign nation to get into the EEC. Until we do that and until we make it crystal clear that that is our policy, we will not be treated as if we count in the struggle for the enlargement of the Common Market.

There seems to be a lot of wishful thinking on the part of political commentators, high civil servants, members of the Government, members of the Dáil and members of the public generally that the British are certain to get into the EEC. There is also a theory held in those exalted circles that the Common Market is likely to disintegrate. I want to reassure Deputies in so far as I have any knowledge of the situation that there is no fear of the Common Market disintegrating and no fear of any wide measure of disagreement within the confines of that European economic society. As to who will get in and who will not get in, the Taoiseach stated today — and I do not blame him because probably his advisers are telling him that everything is grand and that we are sure to get in — that he was emotionally affected by the reception he had got in Europe. Now the Italians have perhaps benefited more from the European Economic Community than any other country. Their standards of living have gone up; their purchasing power has gone up. They are doing what they did not do before, importing beef into the country. Their industries are expanding and improving. They have perhaps gained more from the Common Market than any of the other countries concerned. For that

reason, it is quite obvious that they would have a considerable interest in the expansion of the Market.

[...]