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ON BEHALF OF	THAR CEANN
Department of Foreign Affairs, 80 St. Stephen's Green, Dublin 2. Tel. (01) 780822.	An Roinn Gnóthaí Eachtracha, 80 Falche Stiabhna, Baile Átha Cliath 2. Tel. (01) 780822.

Text of address given by the Minister for Foreign Affairs

Dr. Garret FitzGerald T.D. to the Royal Irish Academy

on November 10 1975

## IRISH FOREIGN POLICY WITHIN THE CONTEXT OF THE EEC

Ladies and Gentlemen,

In speaking to you this evening I do not propose to discuss in a comprehensive way the origins or history or present situation of Irish foreign policy. I would like instead to address myself to the more specific issue of the impact on Irish foreign policy of our membership of the EEC in so far as this can be assessed after less than three years participation in the Community.

I propose to speak in the first place of the direct impact of membership on Ireland and on its relations with Britain; secondly of our attitude to the future evolution of the Community, its structures and institutions; and thirdly of our role in the world as a whole as a member State of the evolving Community.

### DIRECT IMPACT OF MEMBERSHIP

Within the Community since 1973, as outside it before that time, Irish foreign policy has had two broad aims: to protect and further Ireland's national interest, perceived both in political and economic terms; and at the same time to pursue what might be regarded as more 'idealistic' aims - preserving peace in the world, protecting human rights, and achieving a more equitable balance between the industrialised and developing countries.

Membership of the EEC is now one of the corner stones of our foreign policy. The effect of our membership and our view of the future of the Community are perhaps most frequently judged in terms of the first of these two general aims - that is in terms of direct impact on Irish national interest.

Given Ireland's historical experience of exploitation by a more powerful neighbour, and given its peripheral situation and the fact that it is at an earlier stage of economic development than other member countries, it is natural that it should consider that its interests within the Community are best served by strengthening the guarantees against any form of discrimination and by working

to extend the range of those Community policies which are redistributive in character, especially in so far as they relate to the redistribution of capital for investment purposes. Additionally, in view of the relatively large size of the agricultural sector in Ireland, the level of agricultural prices and the type and extent of agricultural structures policies pursued by the Community are matters of particular concern.

Already at the time of our application for membership of the Community it has been the judgement of the then Government and of the principal opposition party at that time, that in the event of Britain joining the EEC, the clear balance of advantage for Ireland would lie with membership. One could, perhaps, add that it was also believed that Ireland's position with the Community with Britain would be much more advantageous than its position had previously been outside the Community with Britain; in other words that Britain's application for membership afforded Ireland a chance, by joining at the same time, to improve its relationship both with Britain and with a large part of Western Europe.

The economic basis for this view is well known, and need not be dwelt upon at any length. But associated with the potential economic advantages of membership were potential political advantages. The lessening of Irish economic dependence on Britain seemed likely to extend Ireland's political freedom of action, and eventually to eliminate the psychological hang-ups that were an inevitable feature of the highly polarised bilateral relationship which had previously existed between Ireland and Britain.

#### Relationship between Irish and U.K. membership

In the light of these judgements made before our entry it is interesting to note the reaction in Ireland after two years of membership the the question of whether Ireland should remain in the Community if the British electorate decided against membership in their referendum in June 1975. Before Ireland joined the Community very few voices had been raised - my own being one of these few! - to suggest that it should be a member of the Community even if the United Kingdom were not, but three years later there was almost equal unanimity on the part of political and public opinion that if Britain left, Ireland should remain a member. No

formal Government decision was taken to this effect - Governments do not normally take formal decisions on hypothetical questions - but the strength of the conviction that Ireland should remain in the Community even if Britain left was such that in a sense no formal decision was needed.

The importance of this reaction to the possibility of British withdrawal from the Community should not be under-estimated. First, from a domestic point of view it reflected the confidence of the Irish Government and people in their ability to stand on their own feet within the Community. Beyond this, however, it represented a new stage in the eight-century-long period of Irish history that had been dominated by Ireland's relations with her nearest neighbour, to the virtual exclusion of external considerations. Finally, the Irish attitude to membership in the perspective of a possible British withdrawal made a significant impact on the attitudes of other member States towards Ireland. It is true that since its membership became effective in January 1973 Ireland had been accepted by the original Six as a constructive and useful member of the Community. Irish attitudes on issues affecting the future development of the Community, and especially on institutional issues, were seen as being clearly different from, and much more 'communautaire' than, those of the United Kingdom Government for example. Nevertheless, an impression may have persisted of some linkage between Irish and British membership.

In these circumstances the willingness of Ireland to contemplate continuing membership of the Community even should Britain take the decision to withdraw, clearly impressed political leaders in the original six member States and led them to see Irish membership in a different light than hitherto.

But already at the time of 1972 referendum the various advantages of membership had been seen by the Irish people as outweighing by a clear margin the disadvantages e.g. the limitations imposed by Community membership on freedom of action in respect of certain economic policies, and the requirement to free Ireland's trade with the Continental Community countries within five years. (Trade with Britain was, of course, already in process of being freed under the terms of the Anglo-Irish Free Trade Area Agreement of 1965).

The Irish electorate at that time expressed its views emphatically on the merits of membership. Despite set-backs to Irish hopes in respect of two aspects of

membership, the judgement then made has since been validated by the experience of three years of membership.

The first of these set-backs was the inadequacy of the Common Cattle and Beef Policy of the Community in the face of the quite unexpected problem of a world beef surplus in 1974; while the position of Ireland outside the Community would have been disastrous in this situation - for the Community banned all imports of beef - the Irish cattle producer certainly fared much worse in the second year of membership than he had expected to do.

The second set-back was the gross inadequacy of the size of the Regional Fund, established under recession conditions in 1974 on a scale which represented only a small fraction of the sums needed to make a perceptible impact on the problems of under-development in Ireland and Italy, and with a distribution 'key' that tended to favour the other member States.

Apart from the inadequacy of the Common Cattle and Beef Policy in the face of an unexpected world surplus of beef in 1974, the Common Agricultural Policy has generally lived up to expectations and has run beyond them, perhaps, in so far as milk is concerned. In the area of social policy, while the European Social Fund is inadequate to meet all the demands made on it, the £22 million allocated to Ireland to date must be reckoned to be an appreciable contribution towards social development in Ireland. Finally, the transfers to the Irish Exchequer from the Community, which had been expected before membership to be initially of the order of £30 million attained a figure of about £80 million in 1974, the second year of membership. To this must be added a further £25 million of loans from the European Investment Bank - more than had been expected under this heading also. This inflow of £105 million in the second year of membership compared with a membership 'fee' of £7½ million in that year. These agricultural and financial benefits were only partially offset by the impact of freer industrial trade with Continental EEC countries.

#### IRELAND'S ATTITUDE TO THE EVOLUTION OF THE COMMUNITY

##### Attitude to unanimity practice

Our economic objective within the Community cannot, of course, be pursued in

isolation from the question of the institutional structure and decision-making arrangements within the Community and this brings me to my second point - Ireland's attitude to the evolution of the Community.

The nature of our economic interests effectively dictates a very positive attitude towards the institutional development of the Community and a strengthening of its decision-making structures. A country whose economic situation within the Community at its present stage of development in strong could see itself as having an interest in protecting the institutional status quo and in preventing change, and this could arguably be best achieved by maintaining as far as possible what is loosely called the 'veto' - that is the practice of unanimity with regard to those decisions that are seen by a member State as affecting a vital national interest.

But for countries whose economic position is weak, and which need a development of redistributive Community policies, the 'veto' is more likely to prove an obstacle; their interests may be best served by movement away from the unanimity practice and towards majority voting. There are some who do not agree with this view. But I believe that the experience of membership to-date has fully validated it.

First, the veto has been used with increasing frequency during the past couple of years to inhibit, or to minimise the impact of, new policies of the kind that would generally tend to favour the interests of a country such as Ireland. Examples of this include the use of the veto to halt the first effort to establish a Regional Fund, and to minimise its scale when it was eventually set up, as well as to prevent a realistic level of Community financing for the Disadvantaged Areas Scheme.

Secondly, experience has shown that in practice it is much easier for a larger and more powerful country to use the veto, even in respect of matters of relatively minor importance to it, without experiencing any back-lash effect, than it is for a smaller country to do so, even in respect of matters in which it has an important interest. More widespread use of the veto by larger countries reflects, of course, the much wider range of interests of these countries - but it also reflects the fact that they have less to fear by way of retaliation than their smaller neighbours even where they use the veto in an abusive way. A small

country, even when seeking to protect a genuine vital national interest, has to face the danger that if it pursues this interest beyond the limit of what other member countries, especially the larger ones, regard as reasonable, it may invite retaliation in respect of other matters in which it has an interest. In this matter it is realistic to recognise that some are more equal than others!

The belief that the interests of Ireland are best served by minimising the use of the unanimity principle, and by extending the range of decisions taken by majority vote, is thus not just an a priori ideological position, but has been validated by the experience actually gained during a period of almost three years within the Community.

#### Role of Commission

Another aspect of the institutional arrangements of the Community in respect of which a small country such as Ireland has an interest, is the role of the European Commission in the decision-making process of the Community. It has been argued since the establishment of the Community that the exclusive power of initiative of the European Commission in the formulating of legislative proposals is likely in practice to prove a protection for the interests of smaller and economically weaker countries. The extent to which this can be so much, of course, depend on the degree of independence which the Commission enjoys in reality, as distinct from in theory, vis-a-vis member States. It is widely held that since the Community was established the independence of the Commission has been significantly weakened. It has been suggested that in formulating proposals the Commission today takes much greater account of the possible political reactions by the governments of member States than it did at an earlier stage.

I believe that there is some truth in this suggestion. From an Irish point of view the clearest evidence for this proposition lies in the shape and content of the Regional Policy proposals put forward by the Commission in 1973. A more recent example of what appears to be the increased sensitivity of the European Commission to political attitudes in member countries was the decision by the Commission to seek a political debate in the Council of Ministers on the Greek application for membership before the Commission prepared its proposal with respect to this application.

Nevertheless, even if one accepts that the Commission has over the years become more sensitive to political attitudes in member States, and somewhat less willing to put forward proposals on their own merits, it still appears that the interests of the smaller States and weaker economies within the Community, and of the Community as an entity, are likely to be better served by decisions taken on the basis of proposals made by the Commission than by decisions drawn up on the basis of an exclusively political assessment of the different interests involved and their relative strengths at the bargaining table. Thus the interests of the smaller and weaker countries would seem likely to be served by a reinforcement and strengthening of the independence of the Commission, as this would be likely to yield proposals more exclusively based on the merits of the case rather than on considerations of political acceptability in the Council of Ministers.

The strengthening of the independence and role of the Commission will not be easy to accomplish within the present institutional arrangements. Whatever may have been the intention of the founding fathers of the Community, the members of the European Commission are not in practice selected to-day by the collective action of member States; each is nominated by his own member State, subject only to a right of veto by other members whose use is for practical purposes virtually inconceivable. Moreover, the power of the European Parliament to dismiss the Commission by a two-thirds majority of its members is also in practice unusable.

It may be necessary to cast around for some new approach to this problem, which might at one and the same time secure a more independent Commission, appointed collectively rather than individually, and one genuinely responsible to and responsive to the European Parliament. One way of achieving this might be to start the process of appointment by a collective choice of a President for the Commission, who, having secured the endorsement of the European Parliament, would then choose his team, with representation from each member State, and submit it for approval to the Council of Ministers and to Parliament. Other formulae are conceivable, however. It would be in Ireland's interests in any event that some method be found of strengthening the Commission so that it may play the kind of major political role in the Community originally envisaged for it.

### Role of Parliament

Irish policy favours both the strengthening of the powers of Parliament and the direct election of the Parliament. It may be doubted whether the powers now enjoyed by Parliament, even as recently increased in matters of budgetary policy, are such as to make the European electorate wish to participate on a large scale in a Direct Election to the European Parliament. A start in the process of gradual transformation of Parliament from a largely consultative body to one with genuine legislative functions thus seems desirable, in view of the prospect of Direct Elections within two or three years. The December 1974 Paris Summit - subject to British and Danish reserves - decided to hold Direct Elections in or after 1978. I may mention that this decision was taken on the proposal of the Taoiseach, which reflects Ireland's concern to democratise the Parliament as soon as possible.

Ireland is concerned to maintain in the context of Direct Elections its share of parliamentary representation, fixed by the Accession Treaty at just over 5%, viz. 10 seats out of 198. The proposal from the European Parliament for Direct Elections envisages, however, a Parliament of 355 seats in which Ireland would have 13 - only  $3\frac{2}{3}\%$ . Ireland could accept this kind of movement towards a proportionate representation of the peoples of Europe in the Parliament if this were to be part of a general institutional reform, involving the introduction of federal-type parliamentary institutions, with two chambers - a Lower House elected on a population basis and an Upper House with appropriate powers and equal representation for each member State, as for example in the United States of America. But the Irish Government finds it hard to accept that in advance of the transition to such a federal-type structure, Irish representation in the European Parliament should be watered down. The Irish position on this point was received with some sympathy at the meeting of the Council of Ministers on Wednesday last, 5th November.

### Economic and Monetary Union

Because of its concern for the cohesion of the Common Agricultural Policy, Ireland has a particular interest in the achievement of Economic and Monetary Union, over and above its general concern to see the Community develop into

a cohesive economic and political unit. The movement apart of the exchange rates of member countries in the past few years has placed the Common Agricultural Policy under great strain and has involved the introduction of the system of Monetary Compensation Amounts which, because they act in effect as export taxes, have been found to be disadvantageous to a country such as Ireland. The maintenance of the common agricultural price system, whose establishment has been one of the Community's major achievements; is clearly liable to be affected over the long-term by an indefinite continuance of the present incoherence of the Community exchange rate system.

While Ireland's interests, not merely in respect of the Common Agricultural Policy but also, more generally, in respect of the development of the Community towards a cohesive European Union, require that progress be made towards Economic and Monetary Union, it has to be recognised that the centripetal tendencies of a 'free-for-all' Economic and Monetary Union would have to be firmly checked by the allocation of large-scale capital resources to the development of peripheral areas, such as Ireland. This is a necessary pre-condition of any real progress in this matter.

Ireland has no illusions about the difficulties in the way of establishing an Economic and Monetary Union. There is a long way to go before the more centrally-situated and prosperous member States realise and accept the scale of the capital transfers that would be necessary to secure an Economic and Monetary Union that would not drain the periphery of the Community; the member States are moreover still far from a realisation of the kind of fundamental structural changes that will be required to create the necessary basis for exchange rate harmonization. Ireland's experience of a monetary union with the United Kingdom has provided it with an insight into the real issues at stake in the establishment and maintenance of an Economic and Monetary Union. These include the need for component parts of a Monetary Union to retain, under Community supervision, certain economic weapons in order to prevent the emergence of a serious imbalance between weaker and stronger areas, rather than, as has sometimes been too lightly assumed, being required to give up their entire armoury of such weapons; and the pre-condition that a fairly close harmonization of inflation rates, necessarily founded on a harmonization of the growth of labour costs and thus of incomes, be achieved. The much higher inflation rates of Ireland and Britain are thus not merely dangerous to the

economies of these countries, but are also an inhibition on movement towards a monetary union which would safeguard Ireland's interest in the common farm price system.

It will be clear from what has been said that the protection and advancement of Ireland's material interests is seen by the Irish Government as requiring the pursuit of a strongly 'European' policy within the Community - involving clear support for further institutional development, including Economic and Monetary Union, and a strengthening of the decision-making system within the Community on the basis of majority voting. National interest and what might be described as European idealism thus tend to coincide in Ireland's case. This policy guided our approach in particular during the period of Ireland's Presidency of the Council of Ministers.

#### Initiatives during Irish Presidency

During that time Ireland took a number of important initiatives within the Community. It organised and presided over the first precedent-setting European Council meeting, held in Dublin. It had the responsibility for developing the process by which in certain international fora, (notably the Euro-Arab Dialogue, the first Preparatory Meeting for the Conference on International Economic Co-operation), the Community speaks with one voice through the Presidency and the Commission jointly. It introduced the practice, (since followed by the Italian Presidency), of a meeting between the President of the Council and the Commission to discuss the Work Programme before the commencement of the Presidency.

It established a new link between the Presidency and the Economic and Social Committee. It established a new and much closer relationship between the Presidency and the European Parliament, and initiated the process of answering questions on Political Co-operation matters in the Parliament, in accordance with a decision of the December 1974 Paris Summit. It made proposals for improvements in the working methods of the Council, one of which, the preparation for the Council of Foreign Ministers of Progress Reports on the working of specialised Councils, is already being put into effect. And, finally, it successfully introduced majority voting into the Council of Foreign Ministers,

thus fulfilling a mandate of the Paris Summit and opening the way to much speedier and more effective decision-making in the Community.

### IRELAND'S ROLE IN THE WORLD AS A MEMBER STATE OF THE COMMUNITY

I now come to the third issue I wish to consider - the effects of Ireland's membership of the Community on our role in world affairs in general.

The most immediate effect is, perhaps, that we have a greater freedom of action in foreign relations because of the reduction of Ireland's dependence of the United Kingdom - which is by no-means completely offset by the pressures to secure a co-ordination of foreign policy within the framework of European Political Co-operation. The inter-dependent character of relations between Community States, each of which needs the support, or at any rate acquiescence, of its partners in order to secure a favourable outcome in respect of a wide range of Community decisions, is a notably more healthy, and less neurotic, relationship than that of economic and political dependence with which Ireland had been all too familiar prior to its membership of the Community. A by-product of this new situation is an improvement in the quality of the Anglo-Irish relationship, all the more important because it has occurred at a time when the problem of Northern Ireland has inevitably been testing this relationship.

Ireland's participation in the Community and in the work of Political Co-operation has markedly enhanced its influence in international affairs, and has enormously widened the geographical range of this influence. In the field of the Community's external relations the Irish Presidency played an active and indeed crucial role in the concluding negotiations with 46 African, Caribbean, Indian Ocean and Pacific countries, which culminated in the Lomé Convention. By its diplomatic action through the Presidency of the Community negotiating team for the Euro-Arab Dialogue it removed several road-blocks that stood in the way of the further development of this Dialogue, which, when Ireland took over the Presidency, was in a state of suspended animation. It played a key role in ensuring that the outcome of the first Preparatory Meeting for the Conference on International Economic Co-operation, held in Paris in April, would be such as to leave open the possibility of maximising further opportunities to get this Conference off the ground - a contribution which has since borne fruit in a second successful Preparatory Conference. It was able to contribute in a significant way to a

positive development of the Community's policy vis-a-vis Portugal. It was in a position to facilitate the successful renegotiation of the United Kingdom's membership of the European Community. And under its Presidency there was a significant improvement in relations between the United States and the EEC which had been unsatisfactory during 1973 and 1974.

Ireland's direct interest in some of these diplomatic achievements may have been relatively small in the sense that its immediate material interests would not in some cases have been substantially affected had these developments not occurred. But the interests of a number of other member countries of the Community, and of the Community as a whole, were tied up with all these issues and the fact that Ireland was in a position to make a contribution to a successful outcome in respect of these matters was clearly beneficial to Ireland's interests in the broadest sense, especially at a time when the image of Ireland abroad has been seriously tarnished by the violence in Northern Ireland whose origins and motivation and purposes are not understood by public opinion outside Ireland.

Ireland's ability to contribute to the evolution of Community policy along constructive lines is not, of course, confined to the brief period of six months during which Ireland, in rotation, holds the Presidency of the Council of Ministers. Both through the decision-making process of the Community and in the Political Co-operation framework Ireland has an opportunity at all times to pursue both its interests and its ideals. By joining with other countries holding similar views on particular topics - and there are almost always some of these! - and by arguing cogently for its own point of view based on the particular insights afforded, for example, by direct experience of colonialism over a long period, Ireland can influence perceptibly the evolution and expression of both the economic and political policies of the Community.

If one had to sum up the kind of contribution which Ireland can make in these general policy areas, where there is no significant direct Irish national interest, it might best be described in terms of a certain sensitivity of Ireland to the possible reactions of countries outside the Community to action taken by or statements made on behalf of the Community. This sensitivity derives from Ireland's own historical experience and the possibility it affords of an imaginative insight into the psychological attitudes of other countries dealing with what for most of them is a larger power bloc - a Community of 260 million people.

Ireland and the United Nations

Between 1955 (when Ireland was admitted to the United Nations) and 1972 a large proportion of the country's diplomatic effort was concentrated on the United Nations. Through its participation in peace-keeping forces, through its sponsorship of resolutions such as that on nuclear proliferation, and through its positive approach to the problems of developing countries, Ireland has since its admission made a constructive contribution in the U.N. framework. At the time of the EEC referendum some fears were expressed that this contribution would in some degree be diminished as a result of membership of the European Economic Community. How realistic have these fears proved to be?

There has, of course, been a very significant shift in the centre of gravity of Irish policy interest towards the EEC and the proportion of the - significantly expanded - resources of the Department of Foreign Affairs devoted to the United Nations, (although not the absolute amount) is smaller now than used to be the case. But this shift in priorities has not implied a change in political attitudes to issues arising within the United Nations. Of course, as part of the Political Co-operation process of the Nine an effort is made to co-ordinate the attitudes of member countries towards resolutions in the General Assembly. This process of co-ordination inevitably involves some pressure on the more 'conservative' countries to adopt more progressive stances, and some pressure on the more 'progressive' countries to pull back from some of the stances they might wish to take on certain issues.. These latter pressures are not, however, very significant- the European Political Co-operation process has tended, all other things being equal, to shift the centre of gravity of the position taken up by the Nine States in a 'progressive' direction. However, the post-enlargement period in the EEC has coincided with a period in the United Nations when the developing countries have been tending to harden their line on a number of 'colonial-type' issues, and the stronger language proposed in respect of some of the resolutions on these subjects has made it impossible for countries like Ireland to support resolutions on certain subjects which, at earlier General Assemblies, when more moderately expressed, readily secured the support of the Irish delegation. For example, a number of resolutions now endorse, expressly or by implication, the use of force. Ireland has inhibitions on advocating or endorsing the use of force and its attitude to these resolutions is affected accordingly.

However, outside the area of the Common Commercial Policy individual member countries retain some independence of action. In the economic area this independence finds its principal expression through the conclusion of bilateral agreements on economic, industrial, scientific and technological co-operation with non-member countries. Co-operation agreements of this type are usually designed to provide a framework to facilitate the development of co-operative projects between commercial, industrial and other appropriate interests in the countries which are party to the agreement. The agreements generally provide that the contracting parties shall make every effort to encourage co-operation between the relevant interests in their countries and, in addition to setting out the forms of co-operation envisaged and also occasionally defining the fields in which it is considered there are opportunities for mutually advantageous co-operation, they also provide for regular meetings of Joint Commissions composed of representatives of the two governments. The forms of co-operation which are usually envisaged in these agreements include such matters as the establishment of joint ventures, licensing arrangements, sale of 'turn key' operations, joint research and development and the provision of consultancy service and of various technical, administrative and management skills. As the operation of these agreements can often have implications for trade, and consequently for the operation of the Common Commercial Policy, the individual member countries of the Community, while retaining their independence in this area, are nevertheless subject to a commitment to consult with one another and with the Commission prior to the conclusion of such agreements.

These agreements may satisfy a need on the part of a non-member State for an inter-governmental juridical framework in the economic field. This is particularly the case for the State-trading countries in Eastern Europe.

Aside from Eastern European countries, a number of Middle East countries have also concluded co-operation agreements with individual member States of the Community. The rapid expansion consequent on the programmes for industrialisation and economic development which have been undertaken by these countries following the dramatic increase in their oil receipts have in some instances placed a considerable strain on their administrative resources. There is often in these countries a distinct preference for co-operative arrangements which are elaborated under the umbrella of an inter-governmental <sup>agreement</sup> as it is felt that the goods, skills and services supplied within the framework of these agreements are more likely to be of the required standard.

Until recently Ireland has had no experience of this type of agreement but in the context of our Community membership, and given the opportunity which these agreements would provide for the development of foreign earnings, and the possible contribution which they could make to our economic and social development through exchanges of experience, techniques and information, Ireland is currently preparing to negotiate and sign co-operation agreements with a number of countries in Eastern Europe and in the Middle East. It is to be expected that in the period immediately ahead a significant part of Ireland's diplomatic effort will be concentrated in this area which, of course, involves a considerable amount of inter-departmental co-operation in view of the wide-ranging implications of such agreements for agriculture, industry and other sections.

#### Development Aid

Another important and rapidly expanding area of foreign policy is that which involves the relations between Ireland and developing countries. In this area the Community has an important role to play, e.g. through the Lomé Convention. Nevertheless, all members of the Community have their own bilateral aid programmes, to which they attach considerable importance.

Until recently Ireland's development aid programme was essentially confined to the fulfilling of its commitments to multilateral development aid as a member of the United Nations and a participant in its specialised agencies, and as a member of the EEC. Apart from disaster relief and a very small overseas training programme, there was, in fact, no such thing as an Irish bilateral aid programme until 1973.

The Irish Government in 1974 entered into a commitment to increase its development aid both in absolute terms and as a percentage of GNP annually thereafter, with the aim of achieving an increase equivalent to .05% of GNP each year, taking one year with another.

This commitment now derives added force from the obligation imposed upon Ireland by a Decision of the EEC Council in April 1974 to achieve the U.N. target of the provision of .7% of GNP in the form of official development aid. However, as the Irish development aid commitment through its multilateral obligations

within the United Nations represented only .035% of GNP in 1972/73, it is clear that a number of years must elapse before this target can be achieved.

The expansion in the total volume of development aid that we need to ensure that we fulfil this commitment will tend to exceed the somewhat slower expansion of Ireland's obligations in regard to multilateral aid. This means that we will be providing a growing additional amount which we could use either to supplement the multilateral aid provisions, or to develop a bilateral aid programme. It is the intention of the Irish Government to devote a significant part of these additional resources to bilateral aid, and this process started in 1974. In the current year a sum of £500,000 was provided in the Estimates for bilateral aid - £150,000 for disaster relief, £100,000 for the newly-established Agency for Personal Services Overseas, and £250,000 for specific bilateral projects. The year 1976 will see an exceptional expansion of Ireland's multilateral aid obligation because of our participation in the growing EEC Aid Programme, which is being extended in several respects next year, and also because it is desirable that its voluntary contributions to certain U.N. funds be increased in 1976 to some degree. The increase in bilateral aid in 1976 will therefore be small in absolute terms by comparison with what is likely in future years. Nonetheless it is my hope to expand the bilateral aid programme in 1976 by about 50%.

The expansion of bilateral official aid, which will probably be on a very substantial scale in 1977 and thereafter, makes it necessary to consider what kind of administrative structures will be most appropriate to a bilateral aid programme involving voluntary effort as well as official aid. This matter is under consideration at the present time and consultations have started with interested groups with a view to ensuring that whatever administrative structures are established make the fullest use of the vitally important element of voluntary effort in this sphere. The criteria which will be applied in developing an appropriate administrative structure will include the need to reduce to the necessary minimum the number of controlling or co-ordinating bodies, the need to mobilise voluntary effort fully, the need to secure co-ordination of development aid policy at the political level, and the need to ensure efficiency in administration and control of and accountability for funds.

An aim of policy will be to secure a measure of concentration of bilateral aid in a relatively small number of the poorest countries where its impact could be significant and visible to Irish public opinion, which could in this way be mobilised more effectively in favour of an expansion of Ireland's development aid commitment.

An aspect of development aid programmes which must not be overlooked is the extent to which they generate a demand for goods and services from industrialised countries and in particular the donor countries. This is true not merely of bilateral aid programmes, some of which are to a significant degree angled towards achieving reciprocal benefits in this way, but also with respect to multilateral aid programmes. Thus, for example, the aid provided under the Lomé Convention will be largely spent within the European Economic Community on goods and services, including consultancy services in such areas as engineering, building and construction, etc. Such developments as this have economic implications for Ireland which must not be overlooked.

#### CONSTRAINTS ON IRISH FOREIGN POLICY?

Finally, I should like to consider briefly whether there are constraints of which Ireland must take account in its pursuit of an active foreign policy within the Community, aimed in the direction of a strengthening of the Community institutions and of its decision-making processes.

An obvious constraint is, of course, the small size of the Irish diplomatic service by comparison with those of seven of the nine other members of the Community. There is a clear limit to the amount of diplomatic activity that Ireland can undertake given that its diplomatic service numbers less than 200 people and that its diplomatic missions abroad are limited to 23 residential embassies, 3 permanent missions (in Geneva, Brussels and New York), and 5 'career' Consulates. In addition to the traditional tasks of bilateral diplomacy, this small diplomatic team must service a multiplicity of international conferences, as well as the immensely detailed policy work involved in participation in the European Community and in European Political Co-operation.

This personnel constraint is much less significant than it might be because of the exceptional quality and dedication of the members of this small group which has made possible, with generous help from many home Departments concerned with particular areas of activity, a diplomatic effort quite disproportionate to the members involved. Thus, even during Ireland's Presidency of the Council of Ministers of the EEC, the number of occasions on which it proved necessary for Ireland to delegate the representation of the Presidency in a Committee or Working Group to another Community country were very few indeed. Nevertheless, realistically there is a limit to the scale of what can be undertaken by a small country with a small diplomatic service.

A second constraint is the fact that, as was pointed out earlier, Ireland is to a remarkable degree a net beneficiary of Community policies. In seeking against this background to expand the range of Community policies, from which because of its peripheral geographic situation and earlier stage of economic development it would be bound to benefit, Ireland must be careful not to appear too much in the role of constant 'demandeur'. Moreover, to the extent that its position is necessarily in some degree one of net beneficiary in respect of most Community policies, Ireland must seek to compensate for this by playing a positive and constructive role in the present running and future development of the Community.

A further question arises of course because of Ireland's position in relation to military alliances. Ireland's non-participation in NATO has posed no significant problem for it within the Community framework, because of the separateness of the Community from NATO, and Ireland has come under no pressure whatever to modify its stance in respect of NATO membership. On the other hand the fact has to be faced that the development of the Community towards the kind of federal or confederal structure, which will ensure the protection of Ireland's material interests and would maximise the redistributive role of Community policies, could logically bring in its train at some stage a need to consider some kind of commitment to defend this structure. This is not an immediate prospect, however, not just because of Ireland's particular stance in the matter, but also because a number of other countries, such as the Netherlands and Denmark, are reluctant to see the emergence of

a common defence policy within the Community lest this cut across and diminish the cohesion of the North Atlantic Treaty Organisation, and of the commitment of the United States to the North Atlantic Alliance.

I have used the term 'constraints'. But they could, I think, better be described not as constraints but as factors which we must realistically take into account as we pursue an active foreign policy within the Community. It should be clear from what I have said here tonight that we do pursue such a policy. Despite some setbacks, the hopes<sup>of those</sup> of us who expected membership of the Community to open new perspectives for Ireland are being fulfilled. From what I have said tonight it should be evident:

First, that membership has been of direct economic benefit to Ireland and has established its traditional relationship with Britain on a new and more healthy basis to the benefit of both countries.

Second, that we have been able to take a forward position on the future evolution of the Community and its institutions. We are trying to work actively towards a Community of the kind we want to see evolve - a more democratic and at the same time more effective Community with adequate guarantees against any form of discrimination.

Third, that our membership opens new possibilities at a more general level in world affairs. Within the limits of our resources as a small country we are availing of these possibilities to play a more active role than before in some fields and to influence in a limited, but nevertheless significant, way the evolving policies of the Community towards the rest of the world.

These developments in our foreign policy consequent on membership are significant and encouraging. I believe they will continue in the period ahead. And I can assure you that it is my own intention to contribute as far as I can to ensuring that they do so.