

Statement by Jack Lynch at the Irish Parliament (11 May 1967)

Caption: On 11 May 1967, the Irish Prime Minister, Jack Lynch, announces to the national parliament, the Dáil, the decision to reiterate the request for Ireland's accession to the European Communities.

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[...]

With your permission, a Cheann Comhairle, I wish to make a statement on recent developments in relation to the European Communities.

The Government have today presented a request to the Council of the European Economic Community for the reactivation of Ireland's application for membership of the Community made on 31st July, 1961. We have requested also the reactivation of Ireland's application for membership of the European Coal and Steel Community made on 7th January, 1963, and have lodged an application for membership of the European Atomic Energy Community. Copies of the letters which I have addressed to the three Communities on the matter are being made available in the Library.

Deputies will recall that the question of entry to the EEC was debated at length on 5th July, 1961, and again in the course of the debate on the Vote for External Affairs on 11th July, 1961; further that the Government's decision to apply for membership of the EEC was fully discussed in the course of the debate on the adjournment on 2nd/3rd August, 1961, and received the support of the vast majority of Deputies. I have already announced that the Government will make an opportunity available at a later date for a further discussion of the issues involved. For the purpose of my statement today, I shall confine myself to a short account of events following our original application for membership of the EEC, a recapitulation of the reasons for seeking membership, a summary of the considerations underlying the Government's decision to reactivate our application for membership at the present time and a résumé in broad terms of the more important implications of membership.

The events which followed the presentation of our application of July, 1961, for membership of the EEC may be summarised briefly as follows.

At the invitation of the Council of the EEC, my predecessor made a comprehensive statement on Ireland's application at a meeting in Brussels on 18th January, 1962, with Ministers of the Governments of the Member States. There followed in May, 1962, a meeting in Brussels between senior Irish Government officials and the Permanent representatives to the Community of the Governments of the Member States for the purpose of clarifying certain points of an economic character arising from my predecessor's statement of 18th January, 1962.

Having considered the information furnished at these meetings, the Council of the Community, in the course of its session of 22nd/23rd October, 1962, agreed unanimously to the opening of negotiations on Ireland's application for membership on a date to be fixed by agreement.

As foreshadowed in my predecessor's statement of 18th January, 1962, application was made on 7th January, 1963, for membership of the European Coal and Steel Community and arrangements were put in train for the lodgment of a similar application for membership of the European Atomic Energy Community.

Before these various matters could be carried further and, in particular, before a date had been fixed for the opening of negotiations for membership of the EEC, there occurred in January, 1963, the breakdown of the British negotiations, following which further consideration of our application and those of other countries was suspended.

The approach we have now made to the Council of the EEC takes the form of a request for the fixing of an early date for the opening of negotiations on Ireland's application for membership in accordance with the decision taken by the Council in October, 1962.

I now turn to what the Community stands for and our reasons for seeking membership of it.



By establishing a Common Market and progressively approximating national economic policies, the parties to the Rome Treaty plan to create eventually an economic union embracing all the Member States. The Community is also, of course, political in its origins and in the ultimate destination it has set itself. It sprang from the failure to achieve European union on the political plane, a union which many statesmen had sought to bring about during the difficult years following World War II and which was designed to secure for Europe the political security and economic advancement necessary for survival in a divided world. Though the means finally chosen are wholly economic, the ultimate objective is, as set out in the preamble to the Rome Treaty, an ever closer union among the European peoples. How long it will take for political unity to emerge is impossible to predict. I have no doubt, however, that the achievement of economic union in itself will carry Europe an appreciable distance along the road to political unity.

The process which I have attempted to describe in a few words is a momentous one in the history of Europe. It would be unthinkable that Ireland which, as my predecessor said to Ministers of the Governments of the Six in January, 1962, "belongs to Europe by history, tradition and sentiment no less than geography", should stand aside from this historical process. I am convinced that the Government in deciding to seek membership of the Community for Ireland, and Dáil Éireann in supporting that decision, have judged correctly the response of the Irish people to the challenge presented by the opportunity of participating in the fashioning of a new Europe in accordance with the ideals and objectives of the Rome Treaty.

I am convinced also that as a member of the Community we would have an opportunity of realising our economic potential in an environment which, in the words of the second Article of the Rome Treaty, has shown that it is capable of promoting a harmonious development of economic activities, a continuous and balanced expansion, an increased stability, and an accelerated raising of the standard of living. This is not to say that these benefits will follow automatically from membership of the Community. Much effort, indeed, will be required if we are to carry through the difficult task of adapting the economy to Community conditions in the early years of membership. This is another aspect of the challenge that entry to the Community presents: to show that we are capable of creating an expanding economy that will give us the standard of living, the level of social services and the opportunities for employment to which we aspire.

The economic realities of the situation cannot, of course, be overlooked. As a people whose economic well-being is substantially dependent on external trade, we could not contemplate remaining outside the Community once our principal trading partner, Britain, decided to seek entry. Conversely, it would be extremely difficult, however much we might be attracted by the objectives and the economic arrangements of the Community, to assume the obligations of membership so long as Britain remained outside.

This brings me to the third point on which I wish to touch, namely, the considerations underlying the Government's decision to reactivate our application for membership of the Community at the present time. The breakdown in the British negotiations in January, 1963, had the effect of putting our own application and those of other countries such as Denmark and Norway in suspense. At the time the Government declared their deep disappointment at the turn events had taken, expressed their determination to continue with the work of preparing for entry to the Community and announced their intention of re-activating Ireland's application at the first favourable opportunity.

In the interim various alternatives were canvassed inside and outside Dáil Éireann. The ideas put forward ranged from some form of temporary association pending membership to a trade agreement with the Community. These proposals were symptomatic of the widespread desire for some form of participation in or link with the Community and as such were commendable, since they showed the extent to which the country's aspirations had been oriented towards Europe. Exhaustive examinations, however, including discussions with the Community, showed that the possible content of any such interim link with the Community was negligible. Instead, the Government decided to work energetically towards the objective of membership in the belief that circumstances would permit of our becoming a member by 1970. In this task special prominence was given to the reshaping of our external trade policy with full regard to the requirements of membership. Thus unilateral tariff cuts amounting in all to 20 per cent were made in our protective tariffs and we concluded in December, 1965, a free trade area agreement with Britain which provides for the gradual elimination of protection on substantially all our imports from Britain by 1975.



The wisdom of the course followed by the Government has been demonstrated by the turn of events. The initiative undertaken by the British Government in recent months has shown that there is now a real possibility that in the course of the next few years the Community will be enlarged to include Ireland, Britain and other applicant countries. It is, of course, vital that Ireland's entry to the Community should take place simultaneously with that of Britain, as any time lag would seriously disrupt our close trading relations with that country. We are most anxious, therefore, and have so informed the President of the Council of the Community, that negotiations on our application should, so far as possible, take place concurrently with those of Britain; furthermore that arrangements should be made which would enable the views of both countries to be fully considered where questions having implications for Anglo-Irish trade arise.

For these reasons the Government considered it imperative that, as I announced last week, our request for the reactivation of our application should follow closely on Britain's approach to the Community.

Lest there be any at the present time who may be disposed to argue that we should stand back, I must point out that this attitude assumes that things can continue as they are, that the *status quo* can be maintained. In fact it cannot. All round us we see evidence that the world has entered a phase of extraordinarily rapid change in which countries are becoming increasingly interdependent. It would be suicidal to think that we could isolate ourselves from this process, that there is some comfortable panacea that would enable us to stand apart and at the same time avoid the consequences. The fact is that Ireland can make no progress to solve its basic problem of shortage of jobs except by way of industrialisation. Expansion of industry in turn depends both on access to external markets and on ability to compete in those markets. Nobody doubts that for many industries the attainment and maintenance of a competitive position will be most difficult, even if free access to the major European markets is opened up. It would be difficult to the point of being impossible if such access were denied to Ireland, and existing facilities in the British market were lost, through failure to accede to the EEC at the same time as Britain.

There may be others who feel that there is a possibility that this latest British initiative may fail and that consequently there is no great urgency about making the added effort needed to prepare ourselves for membership of the Community. I do not deny the possibility that hopes for an enlargement of the Community may be dashed, but, as the Government have constantly sought to hammer home, time lost now cannot be made good. We need to make the best use we can of the time at our disposal, since the conditions which would confront us in the event of failure of the present applications of Ireland and Britain to join the Community, would very likely be more difficult than any we might meet inside the Community.

Finally, I wish to offer some comment on the implications of membership of the Community. The White Paper recently published by the Government sets out in considerable detail the provisions of the Rome Treaty and the action that has been taken to implement those provisions. There is, therefore, available to the Dáil and the public a very full account of the structure of the Community, its method of operation and the obligations of membership. It is possible, too, from the provisions of the Rome Treaty and the progress made to date as reported in the White Paper, to form a fairly clear picture of the road the Community will be traversing over the next few years.

So far as our own position is concerned, areas of uncertainty must persist until the outcome of our negotiations can be determined. I would, however, like to use this opportunity to draw attention to the main heads of the implications of membership without going into the details of our negotiating position.

To take first the position of industry, the Common Market is expected to reach the full customs union stage by July, 1968. This means that for existing member countries all tariffs and quantitative restrictions on internal trade will have been abolished by that date and the common external tariffs will be fully operative. In terms of trading conditions, this is substantially the objective we have set ourselves in the Anglo-Irish Free Trade Agreement with the difference that for the freeing of Anglo-Irish trade, the limit date is mid-1975. There are as well, however, certain other important differences between the two sets of trading conditions. In an enlarged Community the tariff preferences which we at present enjoy in our principal export market, Britain, as against imports from the present Community area would disappear. This



intensification of competition in the British market would be further sharpened according as British industry adapted itself to the new conditions. In the domestic market our industries would have to compete with, in addition to British imports, imports from the rest of the Community area. Changed conditions would also result from the application of the common external tariff, not so much by reason of its low average level, but because imports of raw materials and semi-manufactures on which a considerable proportion of industrial activity here is based and which can at present be imported free of duty would become dutiable under the common external tariff if imported from outside the Community area.

It is clear that these changes are of a kind and magnitude that demand transitional arrangements for our industrial sector. The settlement of satisfactory transitional arrangements will be one of the principal preoccupations of the Government in the negotiations that lie ahead.

The conditions under which our agriculture would have to operate in an enlarged Community are of an altogether different order. Thanks to the common organisation of agricultural markets under the common agricultural policy, which is expected to be fully operative by mid-1968, our agricultural sector would be assured of export outlets at stable and, in general, remunerative prices. Problems, however, would not be wholly absent from the agricultural scene. In the case of wheat and sugar beet, the prices aimed at in the Community are lower than those at present received by our farmers.

Problems would be presented also by an increase in the cost of imported feeding stuffs which are important in the production of processed agricultural products, such as bacon. We must also keep in mind the effect on our horticultural sector of increased competition from highly efficient continental producers. I mention these points simply to remind Deputies and the public that, despite the undeniable benefits of participation in the common agricultural policy, we would still have a number of difficult problems to cope with. It would, of course, be necessary for us to compete for our share of the market on the basis of quality as well as the highest efficiency at all stages of production, processing and marketing.

In the short term any transitional arrangements agreed upon for British agriculture would of course be of vital importance to us and we shall, therefore, endeavour to ensure that our views are taken into account before any decisions are taken on British transitional arrangements that are of concern to us.

One consequence of participation in the common agricultural policy to which I would like to draw attention is the higher cost of food which is an inevitable concomitant of a changeover from a State-aided to a market-supported agriculture. In looking at the effect on the cost of living, it is necessary to take account also of other factors such as the reduced cost of consumer goods and the tax reliefs it may be possible to provide as a result of the reduction in State aid to agriculture which the Exchequer has at present to bear. Any noteworthy increase in the cost of living would, of course, be reflected in time in production costs generally and would render even more urgent the need to increase competitive efficiency.

Examples of other areas in which we must be prepared for change are our taxation arrangements, our system of State aids, our social security arrangements.

Most immediately we face a fairly radical reshaping of our taxation arrangements. The Community has already agreed to the adoption of a common system of value added tax and plans to harmonise other indirect taxes and direct taxes which affect industrial and commercial enterprises. The economic consequences which could flow from changes of this kind could have an important bearing on production and trade.

These and other aspects of the implications of membership are under detailed examination in preparation for negotiations. I do not anticipate that they will present any intractable problems. It would be my wish so far as possible to keep the Dáil and the public informed of the conclusions reached by the Government. I must, however, emphasise that the disclosure of information of this kind must necessarily be limited if negotiations are not to be prejudiced.

It is my expectation that some months will elapse before the Governments of the Member States complete their consideration of, and consultations on, the new situation created by the reactivation of the applications



of Ireland, Britain and other countries. I intend in the interval to seek discussions with the Governments of the Member States with a view to furthering our application so far as possible. As I said earlier, the Government will provide an opportunity for a discussion of the issues arising from the reactivation of our application. Such a discussion could perhaps best take place after my meetings with the Governments of the Member States when clearer indications may be available of the likely course of events.

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