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**Speech by An Taoiseach,
Mr. Charles J. Haughey, T.D.,
to the Friends of Fianna Fáil in the
Waldorf-Astoria Hotel, New York
on Thursday, 21st April, 1988**

- Economy
- Terrorism
- Immigration
N.G. (EMB) *unmarked*
for today

An Taoiseach,
Charles J. Haughey T.D.
President of Fianna Fáil.

It is my great pleasure to welcome all of you and to thank you. By your presence, you demonstrate your interest in Ireland and your support for the present Fianna Fáil Government in its work for Ireland.

Forty million Americans of Irish descent are a political and spiritual resource of enormous potential. Their very existence has been a source of encouragement for the Irish people at home and has in the past sustained them through dark and difficult times.

Ireland needs them today as much as she ever did. And unlike other times in our history there is now a sovereign independent Irish nation to which Irish Americans can relate; a country whose cause and whose policies they can publicly and openly support. That support can be of different kinds; moral, cultural, financial, economic. I wish to make it clear that the Irish people at home have the capacity to solve the problems and overcome the difficulties we face in Ireland today and we are determined to succeed in doing so. But I should also make it equally clear that we would solve them much more quickly if we have mobilised behind us the full united strength of Irish America with all the enormous political and economic power it can command. The results of such whole-hearted united support could be dramatic.

During the past thirty years the level of American support for the Irish economy that we have received has been very important and has contributed much to the development of modern industry and of tourism. It is of crucial importance that this year and in the years

immediately ahead, as we strive determinedly to get on top of our current economic difficulties, that support be increased under every available heading.

There is good news on the Irish economy. When I first addressed the Friends of Fianna Fáil in New York three years ago, I promised that at the earliest opportunity we would embark on a comprehensive programme of national economic recovery. We are now fulfilling that promise and I would like to take this opportunity to explain briefly the economic objectives my Government has set itself and how Americans can participate in our plans and our efforts.

When we came into Government in March last year we faced two formidable challenges. Firstly, we had to restore the national finances to a sound state following a long period of rising national debt. Secondly, we needed to stimulate the economic growth which would create new employment to counter high unemployment and the related problem of high emigration.

I am very glad to be able to report that we had been making excellent progress, far better than we would have thought possible a year ago. It has in fact been quite remarkable the way in which the Irish economy has responded to the radical fiscal and economic action we have taken.

In 1987 national income grew by nearly 4%; we had a surplus on our balance of payments. Interest rates have come down by 5½%, and the annual rate of inflation is now down to 2%. The budget deficit and the level of Government borrowing have been greatly reduced. In the Budget introduced in January this year we were

able to concede a reduction in personal taxation. Figures published this month for the public finances and foreign trade show that the economy continues to improve steadily. The budget is well on target; the surge in exports continues and the balance of payments surplus will be even greater this year.

In fact, with the exception of high unemployment and even here there is some improvement, the fundamentals in the Irish economy are rapidly coming right. Sound public finances, low inflation, and wage moderation are key elements in our programme for national recovery over the last year. Many experts are now predicting that the response to the economic policies we have pursued over the last twelve months and are continuing to implement will be strong economic growth for Ireland in the 1990s.

How can we make sure that this will be the case? How are we going to make it happen?

First of all we must look at the international scene in which we will have to operate.

Ireland is an advanced trading nation with a highly sophisticated industrial and commercial infrastructure. The economy is very much an export economy. Last year's growth of nearly 4% was mainly due to a major rise in exports. The external environment is, therefore, of crucial importance for us and the key factor in this regard is our membership of the European Economic Community. The decisions taken in Brussels last February to have the whole Community turned into a completely free market by 1992 with all barriers to internal trade removed provide us with the increased

export outlets we need. This fully integrated market of twelve countries with a population of 320 million people will give us the opportunity we require for a return to the path of economic growth.

With the removal of all existing obstacles to trade in this colossal market Ireland will be now an ideal location for American corporations wishing to establish a base inside the European Community.

In Ireland half of our population is under the age of 28. We have a significantly younger age profile than any of the other European countries. At the end of the century, Ireland is likely to be the only European country that still has a growing labour force. This young Irish population is exceptionally well-educated and a high proportion of them are computer-literate and trained in different high-technology sectors by our comprehensive structure of third-level institutions. Ireland is now producing first class graduates, engineers, chemists, computer scientists and professionals of every kind in greater quantity and quality than ever before. This flexible skilled workforce is ideally suited to operate the high-technology, science based manufacturing and service industries of the kind we are concentrating on for growth. Unfortunately, it must be said that in recent years we have lost many of these talented and valuable people to other lands and a top political and economic priority must be to stop this brain drain and to reverse it. But we still have a fully adequate supply of talent to run the high-income, high technology, successful economy we are intent on building.

During the last decade Ireland has completely revolutionised her telecommunications systems so that we now have one of the best

and most modern systems in the world. Half the network is now digital and there are high speed, high quality optical fibre cable links into the telecommunications systems of the United States and Europe. This is one of the factors which has made it possible for us to institute a major financial services centre in Dublin, which is attracting keen international interest.

We have launched a comprehensive realistic programme of modern industrial development. It has a high content of sophisticated, high-technology industry. An equally important part of it is based on the natural resources of the country. We have singled out for intensive development the processing of our agricultural produce into high quality specialised foodstuffs, marine related industries and services, and the expansion of our forestry programme as a basis for a major timber industry.

Our energy policy includes stabilising the cost of existing energy and actively seeking out new sources. Revised oil exploration terms have already resulted in decisions to drill two wells in the Porcupine Basin off our south-west coast this Summer. There is also greatly renewed interest in on-shore mineral exploration.

International tourism is one of the world's growth industries. Ireland has enormous potential for the development of her tourism. It can be a major source of increased employment and foreign revenue. An intense drive to promote the tourist industry is now fully underway with a special campaign to attract American visitors this year. Our programme includes cheaper access fares, promotional campaigns and the development of specialist type holidays. Fourteen million Americans will visit Britain this year and our efforts

are directed toward having a substantial section of those visitors come on to visit Ireland. We want Americans and, particularly Irish-Americans, to come in their tens of thousands this year. We need them. We will welcome them and we can promise them a relaxed, enjoyable, interesting and friendly holiday. This is the year of Dublin's millennium, and we particularly want to invite Americans to take part as honoured guests in these year-long festivities and celebrations.

This then is a brief outline for you of our plans and efforts to get Ireland out of the economic recession and back on to a path of investment, development and employment. The international trading environment is greatly improved; getting the public finances under control has created a confident climate for investment; our work force is intelligent, trained and technologically adaptive; our natural resources offer countless opportunities for development. But above all, and by far the most important, there is total Government commitment to securing economic recovery.

My message to the Irish in America, therefore, is that you can now assist an Irish economy that is helping itself. You will be backing success not propping up failure. You can participate in that success in many different ways; by bringing your family and a party of friends on a visit, investing in any one of the many expanding modern Irish enterprises now operating successfully, by using your influence to make sure that U.S. legislation and administrative action do not harm Ireland's trade or investment programmes, by speaking up for Ireland when this is necessary, and taking part in Irish cultural events either in the U.S. or in Ireland.

American corporations already account for nearly half of the overseas investment in Ireland with 350 firms employing 38,000 people. Conditions are right for a major increase in American investment with a favourable regime of grant incentives administered by the Industrial Development Authority and a 10% rate of corporation tax on manufacturing industry.

There are now over 300 electronic companies for example operating successfully in Ireland. Ten out of the world's fifteen leading pharmaceutical companies have plants in Ireland, and we are developing a specialised programme in biotechnology. US firms in Ireland export all over Europe and indeed over the world, and have established from their Irish manufacturing base important strategic niches in international markets.

The economic recession hit Ireland hardest in the area of youth employment. This unacceptably high level of unemployment which still persists brought about a new upsurge in emigration in recent years.

Since the early 1980's a new generation of Irish have arrived in the United States in search of opportunity. They are well educated with many skills and, like their predecessors who helped build this great country, they have much to contribute. Many, however, face special difficulties because of their unclear status and uncertain legal position and their situation is a cause of concern to my Government. Since we came into office we have been active on their behalf. When I visited Washington in March, 1987, I took the opportunity of that visit to raise the problem with the President and with influential Senators and Congressmen. I received a very genuine and

sympathetic response. Legislative proposals to reform the laws governing legal immigration to the United States are now before the legislature. I would like to take this opportunity to express our gratitude in particular to Senators Kennedy and Simpson and Congressman Donnelly and Congressman Schumer for their energy and commitment in bringing forward this legislation to help improve the situation.

This legislation should be enacted this year and I urge the Irish-American community to give priority attention to it and to use every influence they can to have it successfully enacted.

On another front, the welfare and security of these young people, progress has been made. We are fortunate that there is great goodwill towards them in this and other cities.

The Irish Embassy in Washington and all our Consulates in the United States have explicit instructions to give this problem their full attention. We have augmented our staff at our Consulate in New York and appointed an officer there to work full time in providing assistance and advice to our young people. The Irish-American community at large and their organisations have shown great goodwill and generosity to our young people, and we in Ireland are grateful for their help in providing a safety net for those who may encounter difficulties, and in advising people on how they can regularise their immigration status. Thanks to Cardinal O'Connor of New York and his special aide Monsignor James J. Murray, the resources of the New York Archdiocese are made available to help our young people also, especially those in need of medical care through Project Irish Outreach and with the personal commitment of Monsignor Murray.

It is with sadness that I tell you that I cannot report any improvement in the situation in the North of Ireland. You will have seen and read of the continuing violence and division there, the harrassment of civilians by the security forces, the persistence of injustice and discrimination and the lack of confidence in the administration of justice. There is now increasingly widespread recognition of the basic fact that a settlement which would achieve peace with justice must transcend the existing framework of Northern Ireland.

I have on a number of occasions set out the Irish Government's position on the Anglo-Irish Agreement. I stated that as it was an international agreement it must be honoured and that if it could be used to improve the situation of the people of Northern Ireland we were morally bound to use it to the best of our ability for that purpose.

We have done exactly that but a number of events have combined since the beginning of 1988 to make the situation even worse than it has been. The shelving of the Stalker/Sampson report and the failure to prosecute those identified as having been implicated in a shoot-to-kill policy, the rejection of the Birmingham Six appeal, the shooting of an unarmed civilian at Aughnacloy, the early reinstatement in the British army of a private convicted of murder in Northern Ireland, and the killing of three Irish people in Gibraltar; all these incidents have had serious implications for public confidence in the system of administration of justice. The rule of law must be paramount in a civilised society. To retain its moral authority the state must always uphold the rule of law. That view I believe would have the support of the overwhelming majority of responsible opinion in the United States.

I believe there is here in the United States and around the world an increasing impatience with the fact that the tragedy of the North of Ireland is being allowed to continue unresolved. It is encouraging to see that a statement of policy made here in New York by a Presidential candidate looks to an active role by the U.S. in improving the situation in Northern Ireland and in promoting Irish unity and that this may be an issue in this year's Presidential election. More and more people are coming to the view that if all attempts so far to provide a solution have failed, and if violence, division and confrontation continue unabated, the conclusion must be that it is the entity of Northern Ireland itself and its constitution that is the problem and that no solution is in fact possible within its confines.

In that regard I wish to assert my conviction that a solution guaranteed to last, to end conflict and tragedy and to bring peace and stability will only be found in a new political structure accommodating safely and securely the two traditions in Ireland.

I would like also to re-affirm again my commitment to the views and proposals set out in the Report of the New Ireland Forum, in which all the democratic Nationalist parties North and South participated and to quote the conclusion of the Forum, "The particular structure of political unity which the Forum would wish to see established is a unitary state, achieved by agreement and consent, embracing the whole island of Ireland and providing irrevocable guarantees for the protection and preservation of both the unionist and nationalist identities."

The issue of fair employment has not yet been resolved. There is need for major legislative reform, which must be far-reaching if it is to achieve an early and discernible impact. No one can possibly defend a situation in which unemployment among Northern Nationalists is more than two and a half times that among Unionists

I know that many Americans have been to the fore in focusing attention on this issue and I appreciate their efforts in this regard.

But while the civil landscape in the North of Ireland is bleak there are some small hopeful signs beginning to appear. There are indications that the barriers to progress may not be as immutable today as they were yesterday.

In a world where the superpowers can now engage in fruitful dialogue leading to agreement on arms limitation, it is only sensible that there should be open and honest dialogue between the representatives of the different traditions in Ireland. I have indicated clearly my willingness to engage in constructive dialogue at any time with the political leaders of the Unionist people. It is my belief that direct dialogue of this kind would be of great significance and would open the way for political progress even if only on a limited scale initially. No one in Ireland today has the moral right to neglect any opportunity that may arise to explore possibilities for change.

It is still my view that an all round constitutional conference summoned by the two Governments will ultimately be necessary to provide a lasting solution and dialogue now between representatives of the different traditions could be a beneficial forerunner of such a conference.

I hope you will agree that the Fianna Fáil Government now in office has in little over a year achieved much in securing economic recovery and meeting the political challenges that have arisen and that it deserves your encouragement and support. The difficulties are great; the problems acute; but we will not be deflected from the vital national work of bringing about lasting recovery. We are determined to solve the economic and financial problems but we also know the real end is not to be found in economics alone. Our central driving ambition is to create a united country embracing all the people of Ireland, a self-confident nation, in which there is freedom and dignity for the individual; where cultural and social values are fully understood and cherished and adequate living standards are available to all.

I do not think there is any need for me to remind this gathering that the Irish nation is far wider in its full cultural and political dimensions than the island of Ireland. Ireland is fortunate in that millions of people of Irish descent all over the world, but particularly in America, look upon it as their ancestral home; rejoice in its cultural inheritance; seek to understand its history; and share its hopes for the future. No country of the old world is looked upon with quite the same affection in the new. It has millions of friends who wish it well. But they must be unified and mobilized to support Ireland's national interests. The Irish Government of the day has the responsibility to inform and guide these generous friends into active support; to create a powerful partnership based on a common understanding of the current realities, with broad agreement on objectives and a united approach to their achievement. That is certainly for me a major item of Irish national policy.