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THE MARKETING INSTITUTE OF IRELAND:

REMARKS BY MR. RICHARD BURKE, MEMBER OF THE COMMISSION  
OF THE EUROPEAN COMMUNITIES. (DUBLIN.)

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We live in troubled times. The feeling is nothing new; it has, I suggest, been experienced by most people in most places throughout history. But I think I am not alone in believing that the troubles we have now are of a different order from the average run of human misfortune to which men have usually accustomed themselves. What makes it different? I would say that the first of the strikingly distinctive features of the present crisis is that it came without warning, out of a clear blue sky, at a time when western society at least had achieved a level of material well-being and political stability unrivalled in past experience.

We still enjoy a level of prosperity undreamt of by our ancestors, so that our material circumstances remain reasonably good, though not quite as agreeable as they were a few years ago. But we have been abruptly jolted - by the decisions of the oil-producing states since 1973 - from a condition in which most of us assumed that prosperity would, in an almost automatic fashion, be sustained and increased, to one in which the very basis of our prosperity seems threatened in a fundamental way. Our consumer society - and I speak rather wistfully as the European Commissioner for Consumer Affairs - has had many of its assumptions rudely overturned. The shock, as I shall argue today, is one from which we have not yet recovered. Nor have its effects diminished. That is something else which is different about this crisis. It goes on. It is not apparently subject to the regular ebb and flow of economic circumstances. Our troubles have now continued for six years, virtually without relief. One sometimes fears they may prove to be terminal.

If this fear should happen to be well-founded - as I devoutly hope it will not - the various kinds of vultures which have for decades awaited the decline of the west will rejoice at prophecies fulfilled. They will assure us - if we are left to hear them, and especially if they happen to be Marxists - that our fate was inevitable, that our system was certain eventually to founder on its own contradictions. Nothing will be further from the truth - though it might be scant comfort at that stage to be able to demonstrate that the argument is a false one.

Still, it is necessary to refute the claim about the inherent failure of our system, even as we painfully experience a very real decline in its effectiveness. The fact is that the trouble in which we find ourselves is very largely the work of outside forces, over which we have no control. This helplessness in the face of certain external realities is not just a condition of the Irish economy which, as we all know, is small, open and sensitive to the winds that blow in the world about us, sometimes even quite gentle winds. The very same vulnerability is being experienced by the European Community today, including its most powerful member states.

Let me make the point by reference to the latest international upheaval. The conflict between Iraq and Iran is not - so far as anyone has plausibly claimed - the result of superpower intrigue or, still less, of intrigue by the European states. Nor is there any clear indication that any of those interested observers of the conflict are likely to profit from it. Doubtless,

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someone will, at some remove - such is the usual outcome of wars. But at the moment there is no real sign that outsiders are stirring the pot, even those outsiders who have been busiest in that region over the last few decades.

What we have, then, is what used to be called a "little local difficulty", a limited conflict in a far-away place arising from tribal, territorial and religious considerations which seem strictly local for the most part. It is the kind of thing which our European forebears used to observe with some complacency. Yet we all know that this conflict between Iran and Iraq is a matter of the most desperate urgency to every one of us. It has already damaged us, had done so in the first few days. We have to hope now that the damage will quickly be contained and repaired.

I must say that I admired the sang-froid of the stock market in the past fortnight, and even more of the gold market, that reliable index of financial unease. It is good that we do not panic, and I daresay the market shows we have not. You, as marketeers of a slightly different kind, may share my feeling. But we have to accept that we are all a little bit weaker, economically speaking, than we were a fortnight ago; and we were not very robust to begin with. We have to realize that, even with a peaceful resolution of the conflict in the Gulf, the position regarding the European oil supply has worsened yet again.

The degree of that worsening remains to be assessed, and it is not for me to attempt that here. But my point has been simply to illustrate how utterly dependent we in Europe have become on events which we do not control. Ireland with its history of occupation is of course well used to that negation of independence. But the formerly great powers of Europe are not at all accustomed to it. The reversal of their position has occurred with extraordinary rapidity, over the past twenty years, and it appears to me that they - rather I should say "we", for we are all together in this in the Community - have not yet found the means to cope with the new circumstances.

But we have to find them, we have to cope, if we are not to lose control of our own future. So, what is to be done? It goes without saying that we need a really effective programme of energy-saving and energy-diversification. We must reduce our dependence on imported oil by cutting our consumption and favouring those modes of transport and production which use it sparingly. We must reduce dependence further by developing alternatives to imported fuel.

All this is necessary and worthwhile, but it is not enough. A programme on these lines will take years to become fully effective. Even assuming its success I cannot see a time when we shall be wholly independent of imported oil; we can at best hope to reduce our dependence, but not to eliminate it.

So, what else must we do? It seems to me essential that Europe seek to recover influence in the regions whose turbulence affects us so vitally. This wish does not involve any fantasy of colonial re-assertion. Such a project would be morally

unthinkable even if it were practically feasible - which it is not. But the fact remains that we have a legitimate interest in the Middle East and Gulf regions and so it is legitimate to look for an effective role there. Europe's difficulty in finding such a role stems, I believe, from the reluctance of the Community's major member states to pool their assets and their experience in a common approach. We have still to find a real, common foreign policy of the Nine. It is too often the case that individual states seize what they perceive as opportunities for unilateral aggrandisement. Usually the opportunity is illusory; even when it is not the outcome tends to be detrimental to the Community interest as a whole. Europe is thus perceived as strong in its parts - but not quite strong enough - and weak as a whole.

I would say however that this unsatisfactory situation is changing, if slowly. Political co-operation - the informal concertation of foreign policy among the Nine - is developing in an encouraging way. I think there is real cause for satisfaction in the fact that the Community has succeeded in agreeing a common approach to the most intractable of all the Middle East problems, namely the Arab-Israeli conflict; that this approach is Europe's own and is markedly different from and - in my view - superior to the American one; and that Mr. Thorn - President of the Council and soon to be President of the Commission - has been able, armed with this European mandate, to embark on an initiative which I hope will be fruitful. Here Europe is playing its proper role - first by finding a common position, then by advising and mediating between the parties to the conflict. Such mediation,

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when useful, creates a relationship and eventually perhaps an alliance. Where alliances are forged the anarchy which can threaten inter-state dealings is held at bay. But with Iraq and Iran we have neither alliances nor influence, and so are at the mercy of their quarrel. It is time for Europe to follow its own good example in the Arab-Israeli arena, and extend its diplomatic effort to all parts of the globe in which events can affect our situation.

But diplomacy is not enough, any more than energy-saving on its own is enough. You indeed are better placed than many to perceive this. What we need - perhaps most of all - is the interdependence which comes from trade. If we do not meet other countries in the market-place, there is an important sense in which we do not meet them at all.

There was a time when diplomats would have resisted this proposition. The great European powers were inclined to keep their commercial activities below stairs, out of sight. This was perhaps shrewd of them, in view of the blatantly unfavourable character of many of these arrangements, at least where they concerned what we now call the developing world. If trade followed the flag, it did so at a discreet distance, and knew its place. But now, I believe, its place is as important as that of diplomacy itself. Lacking both the wish and the means to coerce the developing countries, including the oil producers, we are left only with the option to forge with them relations founded on respect, equality and mutual advantage - in a word, to make them our commercial partners. To the extent that such partnerships are strong and well-founded, they reduce the risk of the kind of unforeseen calamity which threatens us now in the Gulf.

But, it may be said, we already have just such a relationship with the oil producers; don't we buy their oil and pay them handsomely for it? I would say this relationship is altogether too one-sided for comfort; it is not at all the balanced, mutually beneficial arrangement we need. Moreover, to the extent that it is one-sided, we are on the weaker side. This is a new experience for Europeans, and may prove a source of moral improvement. But commercially and politically it does nothing but harm, and we need to change it.

We shall not do so overnight, or through any single panacea. Achieving balance and a true interdependence in our relations with the oil producers will be an exceedingly complex task. And we must not forget that in devoting ourselves to that relationship we are covering only two sides of the triangle. The third side comprises those developing countries which have no oil. They too must be included. The North-South dialogue in its various manifestations has made a start in forging the required relationship, but only a start.

We should not, however, allow ourselves to be overcome by the length and complexity of the task before us. We should rather ask, is there something that we, as individuals or groups or states, can do now in a practical sense to advance this process. I believe that, in your case at least, there certainly is: hence my daring today to venture into a topic which might seem to be rather remote from your specific concerns.



For if I am right in thinking that peace must now be secured and defended through trade, it follows that the traders, the marketeers have a crucial task to perform. Quite literally, ye are the peacemakers. So. in declaring this conference open, I am not merely honouring your commercial and managerial acumen, or the contribution you have made and will make to the Irish economy. I am also thinking of - and asking you to reflect on - the less tangible contribution you make whenever you find<sup>a</sup> new market overseas, or forge a deal with a new trading partner in another country. This second contribution you may sometimes be scarcely conscious of, but it is none the less<sup>real</sup> and vital in enabling us all to confront and contain what William Butler Yeats called, in an unforgettable phrase, "the growing murderousness of the world".