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Remarks by
U.S. Secretary of Commerce
Ronald H. Brown
at the
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Trade and Investment in Ireland
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Good morning. It is a pleasure to be back with you. There is an energy in this room that springs both from the tension of creating history, and from historic tensions being overcome. It would be as absurd to think that pressures that spawned Northern Ireland's troubles have fully dissipated as it would be to believe that America's own ethnic and racial divisions have been fully healed.

However, our own experience in the United States proves without question that mistrust can be conquered, that recalcitrance can be overcome, that even as some cling to old and irrelevant prejudice, the rest of us can march forward, together.

The time has come for the people of Northern Ireland to march forward, together. Two years ago we would have considered this diverse gathering a dramatic, indeed historic, end in itself. Now we understand that, despite the history we make today, this conference is just a beginning. Our efforts cannot end until new enterprises, vital community organizations and a modern infrastructure are bringing jobs, hope and a secure and stable peace to Northern Ireland and the Border Counties of the Irish Republic.

I am proud to host this Conference, with President Clinton, Special Advisor Mitchell, Secretary Christopher. The United States, with close cultural and historic ties to all the parties in Northern Ireland, has a unique advantage in fostering investment and supporting UK and Irish efforts to secure peace.

At his Investment Conference last winter, Prime Minister Major -- whose vision and determination have transformed Northern Ireland and brought a permanent peace within reach -- surveyed the political and private sector talent gathered and announced that it was, "the greatest night Belfast has ever seen." This Conference is built on the spirit of that night: building on the pragmatic confidence of seasoned and successful corporate leaders eager to seize a business opportunity; building on the hope and promise of peacemakers from three nations eager to forge a permanent reconciliation.

The idea that traditional limits and roles can be overcome is a hallmark of the Clinton Administration. Rather than narrowly defining people and resources and strategies, we're looking for effective and creative ways to bring them together. One consequence of this strategy has been a great deal more attention to the relationship between economic growth in the United States, and the search for peace in Ireland and the border Counties -- indeed, around the world.

This understanding has spawned a Clinton Administration strategy called "commercial diplomacy." Commercial diplomacy is grounded in the strong conviction that peace and stability must have a solid foundation of economic security. People have a right to expect that risks for peace will bring opportunities and growth. Trade and commerce bring people together not as enemies or rivals, but as customers, suppliers and partners.

American investment, while creating jobs and opportunities for families here, will aid economic development in Northern Ireland and the Border Counties three important ways.

First, by establishing Northern Ireland -- and further establishing the border counties -- as a stepping stone to the European Union.

Second, by improving the infrastructure of both areas -- increasing the efficiency of the island's total economy by improving transportation along the Belfast-Dublin corridor and speeding integration of the energy grid, for example.

And third, by strengthening community development in disadvantaged urban and rural areas -- which is why our International Fund for Ireland contributions are so important.

Our government can best bring American investment by focusing on confidence and communications: showing strong and unwavering support for peace and economic development; providing technical advice and information; acting as a clearinghouse for contacts and procedures that will foster investment and growth.

Most of the tools for building prosperity already exist. Peace, first and foremost, but the more mundane implements as well: ports and roads, technical skills, an educated workforce among them.

But some American investors still hesitate. Will the peace hold? Will tensions spill over into anti-American actions? How does one do business in the EU, in Northern Ireland, in the Irish Republic? What resources and support are available to American firms?

By answering these questions with accurate and detailed information on how, why and with whom to do business in Ireland, we will lower market entry barriers by lowering risks investors face, thus drawing investment into the region.

This investment will help stabilize peace by creating jobs and opportunity in Northern Ireland and the Border Counties. And this prosperity will in turn create jobs in the United States, as American firms use Northern Ireland as entry route into the EU and Irish outposts of American firms import ever larger quantities of American parts and inputs.

This "export pull" effect is already evident in the \$2.6 billion in goods the Irish Republic imported from the U.S. in 1992 -- twice the 1983 figure and a direct result of the fact that U.S. firms producing in Ireland quadrupled their sales over that period. U.S. firms, investors and workers also realize a steady flow of dividends, royalties and licensing fees from these investments.

Northern Ireland and the Border Counties offer U.S. firms key advantages.

The first and most important is that they offer market access to the massive \$7.3 trillion, 370 million person single European Market. This means not only tariff and regulatory advantages, but the infrastructure and experience to get finished goods from Ireland to the Continent quickly and inexpensively.

Northern Ireland and the Border Counties offer a large pool of educated, motivated and English-speaking workers. The average hourly cost of industrial labor in Northern Ireland is \$10.68 -- 36 percent lower than U.S. costs and well under half the average \$25.71 paid, for example, to German workers. Costs in the Republic were only slightly higher, at \$11.18.

Northern Ireland benefits from special incentive programs financed by the UK that can account for up to 50 percent of capital costs. In addition, Northern Ireland is eligible for EU reformed structural funds covering such areas as industrial and agricultural development, transportation, training and tourism.

The Irish government also offers incentives, including an attractive ten percent corporate tax rate for qualifying industries, customs duty relief, patent income exemption and tax-exempt securities. Ireland also offers cash grants including capital, training, rent subsidy, research and development, employment and technology acquisition grants. This has helped American concerns in Ireland earn an astounding 25.8% return on their investment in Ireland, the highest rate in Europe.

The bottom line is simple. U.S. companies looking toward Northern Ireland and the Border Counties can expect broad support from local and national governments, a high-skill, highly motivated workforce at a modest wage, and tariff and duty-free access to the EU. They can expect an excellent shot at a highly profitable operation.

This Conference is itself only part of an Administration-wide commitment that began with the appointment of Senator Mitchell as the President's Special Advisor on Trade and Investment in Ireland, and my own Presidential Business Development Mission last December.

- o The Commerce Department is working to create a Science and Technology Cooperation Agreement with Northern Ireland. And we are exploring a technology trust fund program, patterned after the Israeli Bilateral Investment and Research and Development Fund, to support private sector R&D in the Border Counties and the North.
- o The American Management and Business Internship Training program -- or AMBIT -- I first announced in Belfast is being finalized today at a White House signing ceremony. AMBIT provides hands-on training in U.S. firms for managers and technical experts, improving their capabilities while strengthening ties to U.S. firms -- benefitting the economies of both nations. In fact, I was pleased to learn that the first five AMBIT interns are taking part in this conference.
- o Our International Trade Administration's Northern Ireland/Border County Business Information Center is up and running, with over 200 reports available by fax to interested firms. ITA's Commercial Service is adding a Commercial Assistant position to the Belfast consular staff.

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- o The U.S. Agency for International Development is working closely with the International Fund for Ireland, increasing U.S. support and further strengthening this already very successful program. The Agriculture Department is exploring new ways to foster cooperation in the areas of rural development, food safety and rural environment.

But all the programs our three governments together could mount are meaningless without the private sector presence that will actually bring the stability and prosperity we seek. And that is why, as important as our programs are, my most important task today is to communicate to you how truly confident we are in this peace; and ease communication and share information among investors, potential partners, government officials and, trade specialists.

Northern Ireland is open for business. The United States is supporting peace and development in very tangible ways.

Confidence and communication are America's comparative advantage in what is truly a full circle of support for the peace process and the embattled areas it affects.

Our niche may seem small. But it is vital role that no other player could effectively fill, and it reinforces efforts by a number of other concerned and dedicated parties.

The European Community is working with governments in the North and South to build the economic infrastructure that will support an economic renaissance. Both the Governments of Ireland and the United Kingdom offer generous and effective incentives to potential foreign investors. Community groups are training workers, managers and entrepreneurs, working with governments to assure a supply of local talent capable of transforming dreams into factories and offices that run at a profit. The private sector of course offers the investment and creates the jobs and wealth we seek.

Confidence and communication will bring American capital and firms to hire the local labor, to use the roads and ports, to bring life to strategies and incentives local governments design.

The day after meeting with Prime Minister Major in Belfast, I was in Dublin with the man who had joined with Mr. Major in crafting the historic Downing Street Accords, Prime Minister Reynolds of Ireland. As fate would have it, that evening was both the final evening of his tenure as Prime Minister, and the eve of the Downing Street Accords' first anniversary. [more...]

Despite the temptation to focus on oneself that such an abrupt change in political fortune might bring, Prime Minister Reynolds was far less concerned with his career, than with the Accords and the opportunity they had created for his country and for the people of the North. His focus at that moment on the future we can build together rather than on his own past and career revealed an extraordinary strength of character.

But it was a strength and focus that seemed common among those people I met -- a strength enjoyed by Prime Minister Bruton as well. As I travelled through places like Belfast or Dublin, I found myself immersed in history. At the Guild Hall or the Tower Museum or Dublin Castle a poetic and tragic past has been preserved with such beauty and respect that it seemed almost overwhelming.

But again and again I found my hosts focused not on history gone by but on the history we now have the power to create. The history of an Island joined in peace and commerce. The history of a people who have proved that we can grow, and learn and forgive. The history of prosperity, born of hard work, creativity and innovation, and born of the marvelous vision of workers and business people in the United Kingdom, the Republic of Ireland, and the United States of America.

The history of peace -- today, and for the generations to come.

It is an honor to be part of this moment, with so much potential for so many people. Let us go forward, together, to seize it.