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# Report of the Joint Working Party on the Economy of Northern Ireland

*Presented to Parliament by the Secretary of State for the Home Department  
by Command of Her Majesty  
October 1962*

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## PREFACE

On 4th May, 1961, the Home Secretary announced, in a written reply to a Question in the House of Commons, that a joint Working Party of senior officials of the United Kingdom and Northern Ireland Departments concerned, under a Chairman from outside the public service, was being set up to examine and report on the economic situation of Northern Ireland, the factors causing the persistent problem of high unemployment, and the measures that could be taken to bring about a lasting improvement. The first Chairman was Sir Herbert Brittain, K.C.B., K.B.E., who died in September 1961. He was succeeded by Sir Robert Hall, K.C.M.G., C.B., who submitted the Report of the Working Party to the Home Secretary and the Prime Minister of Northern Ireland on 8th June, 1962.

The two Governments have considered the Report and have agreed that it should be published, with the omission of a small amount of confidential material. The attached version of the Report incorporates the few amendments to the original which have been found necessary for this purpose. Sir Robert Hall has agreed, on behalf of the Working Party, that they in no way affect the arguments and conclusions in the Working Party's Report.



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**Copies of Letters from Sir Robert Hall, K.C.M.G., C.B., Chairman of the Joint Working Party, Submitting the Report to the Home Secretary and to the Prime Minister of Northern Ireland**

*15, Banbury Road,  
Oxford.*

*8th June, 1962.*

SIR,

Last September I was invited by you and by the Prime Minister of Northern Ireland to become Chairman, in succession to the late Sir Herbert Brittain, K.C.B., K.B.E., of the Joint Working Party of officials from United Kingdom and Northern Ireland Government Departments, established by the two Governments to consider the economic problems of Northern Ireland. The Working Party had already had five meetings, and had spent three days in Northern Ireland in order to meet prominent industrialists and others concerned with economic activity in the region. We have since had 11 further meetings, most of which have lasted for two days, and have completed our Report, which I now have the honour to submit on behalf of the Working Party.

I am also submitting the Report to Captain the Right Hon. The Viscount Brookeborough, Prime Minister of Northern Ireland.

I am, Sir,

Your obedient Servant,

(Signed) ROBERT HALL.

The Right Hon. R. A. Butler, C.H., M.P.,

Her Majesty's Secretary of State for the Home Department.

*15, Banbury Road,  
Oxford.*

*8th June, 1962.*

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(Signed) ROBERT HALL.

Captain the Right Hon. The Viscount Brookeborough,

C.B.E., M.C., D.L., M.P.,

Prime Minister of Northern Ireland.

# REPORT OF THE JOINT WORKING PARTY ON THE ECONOMY OF NORTHERN IRELAND

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# REPORT OF THE JOINT WORKING PARTY ON THE ECONOMY OF NORTHERN IRELAND

## I.—INTRODUCTION

1. The Working Party was established following a meeting in March 1961 between United Kingdom and Northern Ireland Ministers to discuss measures for the relief of unemployment in Northern Ireland. Its terms of reference were—

“To examine and report on the economic situation of Northern Ireland, the factors causing the persistent problem of high unemployment, and what measures can be taken to bring about a lasting improvement.”

It was composed of officials from the Departments in both administrations most closely connected with these problems, with a Chairman from outside the public service. The first Chairman was Sir Herbert Brittain, K.C.B., K.B.E., whose death on 6th September, 1961, came as a sad shock to us all. He was succeeded by Sir Robert Hall, K.C.M.G., C.B. The United Kingdom Departments represented on the Working Party have been the Treasury, the Home Office, the Board of Trade and the Ministries of Labour, Transport, Agriculture and Power; the Government of Northern Ireland has been represented by the Economic Adviser and by the Ministries of Commerce, Agriculture and Labour. Representatives of other Departments in both administrations have attended from time to time to discuss individual problems.

2. We held our first meeting on 19th June, 1961, in London. Our subsequent meetings have been held normally in London, but we spent three days in Northern Ireland from 5th–7th July, 1961, where we visited a number of industrial undertakings and met members of the Government, Members of Parliament and other persons engaged in public life in Northern Ireland. Apart from proposals made by the Government of Northern Ireland, which served as the basis of discussion between Ministers, we have received memoranda from the Northern Ireland Labour Party, the group of Ulster Unionist Members of Parliament at Westminster, the Northern Ireland Committee of the Irish Congress of Trade Unions and the Northern Ireland Council of Social Service. We have also received views from a considerable number of other persons and organisations. We have not, however, taken formal oral evidence.

3. Two other Committees had already been set up to investigate special problems before the Working Party was established. One of these was set up last year by the Minister of Transport under the Chairmanship of Mr. D. V. House, F.C.A.: the task of this Committee is to consider the types and frequency of shipping services between Great Britain and Northern Ireland, the standards of service and the reasonableness of charges. The Committee has not yet reported. The other was set up by the Minister of Commerce, Northern Ireland, under the Chairmanship of Mr. B. J. Fox, Q.C., to enquire into coal prices and profits in Northern Ireland and the general nature of the coal trade there, and to assess whether the price of coal and the costs of its transport could be reduced. This Committee also has not yet completed its enquiry.

4. The question of a subsidy towards transport costs is frequently raised and, although the information which the report of the House Committee

may be expected to provide will be essential to any thorough consideration of this question, it is so important that we have given some preliminary thought to it. Since the Fox Committee's terms of reference are comparatively restricted we have thought it appropriate ourselves to discuss general problems of fuel policy.

5. The economic problems of Northern Ireland have been reviewed by the two Governments on more than one occasion during the last few years. As a result the United Kingdom Government agreed in 1953 to the introduction of a subsidy to industrial users of coal and forms of energy derived from it at a cost of £750,000 per annum. A considerable increase in the building programme for the social services—housing, hospitals, water and sewerage, and education was also recommended. At a later date it was decided to set up the Northern Ireland Development Council. We have benefited from the study of the results of these reviews, but in view of the lapse of time we have written our report as a self-contained document rather than as a continuation of earlier enquiries.

6. We wish also to acknowledge our indebtedness to the Economic Survey of Northern Ireland, by Isles and Cuthbert, which was undertaken at the invitation of the Government of Northern Ireland and presented to the Minister of Commerce in June 1955; it is a most valuable fundamental analysis and provides a great deal of background information. We have derived much help from an article by Professor S. R. Dennison in *The Times Review of Industry* for June 1961; we quote from it in our report. During the course of our work there appeared the report to the Scottish Council (Development and Industry) by the Committee of Inquiry into the Scottish Economy, under the Chairmanship of Mr. J. N. Toothill, C.B.E. It has stimulated our thought on the cognate problems of the economy of Northern Ireland.

7. The scope of our report is indicated in the table of contents. The analysis of the economic situation in Northern Ireland and the problems arising from it (Section II) and the review of the measures taken so far to promote employment and of their effect (Section IV) lead logically to our discussion of the considerations to be borne in mind in considering proposals for the future (Section V). The brief section on Northern Ireland and the Common Market (Section III) is interposed in order to draw attention to the potential effects if the United Kingdom and the Irish Republic should join it, though it is early at present to predict these with confidence. We then proceed (in Sections VI–X) to discuss the various measures which might be adopted to assist the economy of Northern Ireland and, in particular, to promote employment—both measures which have been suggested to us in memoranda and discussions and others proposed by members of the Working Party. In general we have not attributed proposals to the individuals or organisations responsible for them. We first consider general measures involving substantial financial aid (Section VI) and then other general measures to stimulate economic activity in Northern Ireland (Section VII). We then discuss the future of individual industries and possible ways in which they might be helped (Section VIII), the movement of labour, particularly to Great Britain (Section IX), and the organisation of economic advice to and of planning by the Government of Northern Ireland (Section X). Our conclusions and recommendations are summarised in Section XI.

## II.—THE ECONOMIC POSITION OF NORTHERN IRELAND

8. Our terms of reference direct us to examine the economic situation of Northern Ireland, and we begin by an analysis of the existing position and prospects. Our primary objective is to identify the points at which assistance can be most effective. We have to take into account not only economic but also political considerations, since these latter materially affect the economic situation.

### **Political Considerations**

9. Northern Ireland is part of the United Kingdom and, although it is unique in having a separate Government, the powers of that Government are very limited. External relations, including trade and defence, are in the hands of the United Kingdom Government; the tariff and fiscal system is almost the same as that of the remainder of the United Kingdom and is mainly administered by the United Kingdom authorities. Nine-tenths of the revenue arises from "reserved taxes" which are imposed and collected by the United Kingdom Government. The portion attributable to Northern Ireland (less the Imperial Contribution and the cost of reserved services) is then paid over to the Northern Ireland Exchequer. While the Government of Northern Ireland has certain powers in regard to borrowing and there are separate issues of Ulster Savings Certificates, Treasury Bills and Government securities, there are no organised capital or money markets. The United Kingdom is covered by a single monetary system and the Government of Northern Ireland can therefore have no autonomous monetary or credit policy, although some measures (such as, for example, the scheme for special deposits) are modified in their application to Northern Ireland.

10. Northern Ireland's position as part of the United Kingdom has consequences of great economic importance. Firstly, it has made it natural for the Government of Northern Ireland to pursue a policy of parity of expenditure with that in Great Britain, particularly in social services such as unemployment benefit and national assistance, pensions and the National Health Service. It has led to parity of treatment with Great Britain in the payment of agricultural subsidies and even to special benefits to take account of the remoteness of the region; this is a matter of considerable importance in view of the relatively large part which agriculture plays in the economy of Northern Ireland. Further, as is shown in Appendix I, there is a strong tendency towards parity of basic wage-rates (though there is a divergence in earnings) in manufacturing industry. This is mainly because 80 per cent. of the organised workers in Northern Ireland belong to unions based on the mainland, and their wages are determined under settlements covering the whole of the United Kingdom or closely follow settlements arrived at in Great Britain.

11. Two other political factors have important economic effects. Firstly, although the economic powers of the Government of Northern Ireland are very limited, its existence as a separate Government does mean that it can formulate a policy for promoting employment in its area which is different from and wider in scope than that pursued in Great Britain. Secondly, Northern Ireland, with a third (just over 1,400,000) of the inhabitants of the island, is a separate entity both politically and economically from the Irish Republic. The latter is developing its industries behind a high tariff wall, reinforced by import restrictions. Until recently their markets have

been mainly local, but they are now seeking outlets in export markets, especially in the United Kingdom, to which most of the products of the Republic have duty-free access. The industries of Northern Ireland have for the most part never looked to the South for their main markets; they have now only restricted outlets there. The market in Northern Ireland is limited (and there is no tariff protection from either British or Southern Irish products) so that Northern Ireland's industries have to sell the greater part of their output overseas, particularly in Great Britain. The trade between the North and South of Ireland has declined since partition and is now very limited, but there is evidence of a growth in exports of manufactured goods from the Republic into Northern Ireland, stimulated possibly by tax concessions. So long, however, as trade restrictions are maintained by the Irish Republic there is little prospect of any significant increase in Northern Irish exports to the South.

### **Economic Characteristics**

12. Industrial development has made less progress in Ireland as a whole than in Great Britain, for a number of complex reasons. An important factor has been the virtual absence of mineral resources, the distribution of which (particularly of coal) did so much to determine the development of industry in Great Britain in the 19th century. The relative smallness and limited purchasing power of the Irish market, and the separation from Great Britain and Europe by sea have been further handicaps. The development both of industry and of agriculture has, historically speaking, been greatly influenced by the political status of the island; in particular, only in the north-east was there a substantial growth of industry in the 19th century. Even here the process of industrialisation has not yet gone as far as in Great Britain. As Appendix V shows, 14½ per cent. of the total of civil employment in Northern Ireland in 1960 was provided by agriculture; it compares with a figure of 4 per cent. for Great Britain in 1960.<sup>(1)</sup> Northern Ireland agriculture consists for the most part of small family farms, yielding relatively low net incomes.

13. Industrial development has been concentrated in a relatively small number of industries. We show at Appendix II the distribution of employment and the ways in which this has changed since 1950 (Table I); and also the comparison of Northern Ireland with Great Britain (Table II). We also show in greater detail in Table III the distribution of employment in manufacturing industry. The linen industry makes up a substantial portion of the figure for "Other Textiles".

14. Northern Ireland's disadvantages of remoteness, a small domestic market and lack of home supplies of raw materials and fuel mean that, on the whole, her industries start from a less favourable position than do comparable industries in Great Britain. These initial disadvantages are combined with the fact that a particularly large proportion of industrial employment is in industries in which employment is contracting. She has thus both to find jobs to replace those which will disappear in these industries and in agriculture, and also to provide for an expanding total of industrial employment as the labour force expands through natural increase. The

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<sup>(1)</sup> The Northern Ireland figure of 14½ per cent. does not include more or less casual labour contributed by members of farmers' families. It has shrunk from 18½ per cent. in 1950.

problem is essentially to make her industry fully competitive with similar industry in Britain despite these disadvantages, and to do so fast enough to bring about a decrease in the present levels of unemployment. Such competitiveness requires that other elements of cost (*i.e.*, costs other than those of transport and material, and to some extent costs related to economies of scale) should be lower than they are in Britain. The cost of new capital is in fact lower because of capital assistance to industry. The other main factor is that of labour cost.

15. Our own inquiries showed that (as we should have expected) the zeal and discipline of the labour force is in no way inferior to that of Great Britain, though there is a less highly developed tradition of diversified industrial skills. Further, many firms which have set up branches in Northern Ireland have clearly not found that labour costs were a handicap. It appears, however, from such information as is available, that net output per operative<sup>(1)</sup> is, on average, well below that in the United Kingdom as a whole. Isles and Cuthbert calculated it at 73 per cent. in 1949: Dennison gives a figure of 68 per cent. for 1957.

16. Lower productivity would not handicap the industry of Northern Ireland if earnings were correspondingly lower than in Great Britain, so that the labour cost of production was the same. We have referred to the tendency towards parity in basic wage-rates between Northern Ireland and Great Britain. This does not necessarily imply parity in the actual wage offered, still less in weekly earnings. It appears, from such evidence as we have seen, that employers in Northern Ireland find it much less necessary than in Great Britain to offer rates above the basic wage, or to pay bonuses to attract and retain workers. It appears also that slightly shorter hours are worked. As a result, average earnings for adult male workers in manufacturing industry in Northern Ireland are markedly lower than in Great Britain, in a few groups of industries by more than 20 per cent., but mainly by 10 to 20 per cent.<sup>(2)</sup> (a note on this point is at Appendix I).

17. We have noted that many newcomers to the region have found conditions favourable, taking into account the unit cost of output together with other factors which enter into their total costs. The fact that unemployment in Northern Ireland is much higher than in Great Britain indicates, however, that in industry as a whole the disparity between Great Britain and Northern Ireland is greater as regards productivity than as regards earnings or, at least, that any disparity in Northern Ireland's favour is not large enough to offset other cost disadvantages. Parity in wage-rates must clearly contribute towards this result: in plain terms, wage-rates which were lower than those in Great Britain would tend to offset the factors which keep down the demand for labour in Northern Ireland.

### **The Staple Industries**

18. Apart from construction, transport and the distributive and service trades the occupations employing the bulk of labour in Northern Ireland

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(1) Net output is defined as the gross value of output less the cost of materials, components and fuel.

(2) Average income per head is even lower, no doubt because of the inclusion of agriculture where incomes are relatively low, the higher rate of unemployment and the higher proportion of children in the Northern Ireland population. In 1959-60 the average personal income per head in Northern Ireland was only 74 per cent. of that in the United Kingdom as a whole.

are linen, engineering (including shipbuilding) and agriculture. We comment on these and also on the aircraft construction industry, which is an important element in the industrial life of Northern Ireland, though the numbers which it employs are far smaller than those in the other individual industries to which we refer.

19. For different reasons linen, shipbuilding and the aircraft industry have all encountered difficulties, though these do not derive to any significant extent from the special factors affecting the economy of Northern Ireland. (Their location in Northern Ireland may, however, have some limiting effect on the ability of these industries to diversify.) The production of linen—traditionally an export industry—has declined by two-thirds in the past half century for several reasons: for example, changes in fashion, such as the reduced use of linen table cloths; the tendency of countries at the start of industrialisation to build up an indigenous textile industry and protect it with import restrictions; and increasing competition from synthetics. In the face of these difficulties the industry has developed the use of other textile materials; it has raised its productivity markedly in the last decade (see Appendix IV); and through active research and development it has developed new fabrics, such as flax blended with man-made fibres, and new finishes. Nevertheless the structure of the industry and the nature of flax-processing machinery make it unlikely that the existing linen industry could make good its losses by switching over to synthetic fabrics. The textile industry in the United Kingdom as a whole is no longer likely to enjoy the ready access to large overseas markets which enabled it to grow to its former size. It would be unrealistic, therefore, to expect the Northern Ireland industry at the very most to do more in future than to hold its present ground. Outside the linen industry, however, textile production in Northern Ireland has been considerably widened in scope by the introduction of firms making such products as hosiery, carpets and carpet yarns as well as by the important additional plants which have been or are being established to produce rayon, acrilan, nylon and terylene.

20. The problems of the shipbuilding industry (which consists predominantly of the single firm of Harland and Wolff together with a few ancillary firms and sub-contractors) are recent but severe. Employment had remained stable at over 23,000 until 1961, during which some 8,000 men had to be laid off, and further redundancies have been announced for 1962. Shipbuilders everywhere are facing a difficult situation because of the world surplus of shipbuilding capacity. There is, therefore, keen competition to obtain orders. It would be unrealistic to assume that Harland and Wolff will fare better than the average British yard in competing for the limited number of orders which is likely to be available, and this makes it unlikely that the labour force will, at best, rise much above the present level. By reasons of its size, shipbuilding is a very important part of the industry of Northern Ireland; we refer in Section VIII of our report to the problems which the future of employment in it may raise for the economy of the region.

21. The aircraft industry also consists of a single firm, Short Brothers and Harland, 70 per cent. of whose share capital is owned by the United Kingdom Government. Since the war employment has fluctuated between

4,000 in 1948, 8,500 in 1953 and 6,900 in March, 1962. The aircraft industry in the United Kingdom as a whole has recently been undergoing a process of rationalisation and is now concentrated mainly in two fixed-wing aircraft groups, one helicopter firm and two aero-engine firms. Shorts is one of a small number of firms still outside the main groups, though the possibility of its joining one of them at some future date remains. Future prospects appear to depend mainly on additional orders being received for the Belfast freighter, either in its present or in a modified form, and for the Seacat, and on participation by Shorts in further development work to apply the principles demonstrated in the S.C.-1 vertical take-off research aircraft.

22. The engineering and metal industries, other than shipbuilding and aircraft, are represented by a few large firms and by a considerable number of smaller firms diverse in origin and character. The main industry grew up largely to supply the needs of the textile industry, though historical chance also played an important part. The invention of the fan for tea-processing machinery, for example, led to the establishment of an important fan and ventilating machinery business. Since 1945, however, there has been an encouraging increase in engineering activity in firms attracted to the area under the industrial development programme. The range of products has been considerably widened but (with such notable exceptions as heavy turbines) the trend has been towards lighter engineering products. Oil-well equipment, computers and tabulators, control-gear, radio and electrical equipment, wires and cables, cameras and gramophone equipment are included in the engineering production now being undertaken. Employment in the engineering industry (excluding ships, aircraft and metal manufacture) now accounts for 20,900 workers, with a further 5,000-6,000 jobs in prospect, as compared with 14,700 in 1954. There is, so far, little sign that the development of lighter engineering has owed anything to the growth of a complex in which the production of one firm is complementary to that of another. This is, perhaps, not to be expected in view of the diversity of the firms which have come to the region. Nevertheless, experience shows that firms considering establishment in Northern Ireland are favourably influenced by the successful working of those already established, and also by the general tradition of light engineering which is developing, together with the facilities for it. The introduction into the Northern Ireland industrial community of the energetic executives and technicians of new industry helps to establish an attractive atmosphere for the newcomer, and there is no obvious reason why Northern Ireland should not in the future become accepted as a centre for a wide range of engineering products.

23. Agriculture, together with its ancillary occupations (horticulture, forestry, feeding-stuffs and fertilisers and agricultural machinery) is the largest provider of employment in Northern Ireland, but the number employed in it has declined steadily for at least a generation and is likely to decline further. The number of individual holdings has fallen from 105,000 in 1923 to 72,000 in 1960 and the number of farmers working them from 75,000 to 55,500. Total employment in agriculture has fallen by 28,000 over the past 11 years (from 101,000 to 73,000); this includes a

fall in the number of paid workers from 29,000 to 16,000<sup>(1)</sup>. The decline in the labour force is mainly due to mechanisation: there are now about 30,000 tractors compared with 850 in 1939, with corresponding increases in other equipment. The amalgamation of holdings and the elimination of small uneconomic units are encouraged by the Small Farmer Scheme and the Farm Improvement Scheme. The increases in efficiency which these developments have made possible under the system of guaranteed prices have led to an increase in output of over 80 per cent. since 1938, mainly in livestock and livestock products. Over 60 per cent. of output is shipped to Great Britain.

24. The number of holdings may decline further to about 50,000 over the next 20 years, and the number of farmers to 40,000: the average size of unit is expected to rise from 35 to 50 acres. The paid labour force may well decline also, though an additional 6,000 jobs should be available in forestry.

### Trends in Employment

25. The steady fall in employment in agriculture over the past decade has been roughly equivalent to the growth of the building and construction industry in the same period. In manufacturing industry, which has suffered fluctuations due to recessions in textiles and clothing, the numbers in employment changed little between 1950 and 1960, though the staple industries had, on the whole, declined during the period and this decline had been made good by the growth of new industries. During the past year, however, the position has worsened owing to redundancies in ship-building coupled with a slackness in textiles and shirt manufacture. Employment in services has increased appreciably: much of this new employment is in the public sector where, mainly owing to public investment in education and health, 18,500 more people were employed in 1961 than in 1950. Higher personal incomes have contributed to an increase in employment in the distributive trades. (The details are shown in Appendix II.) The net result of these changes has been an increase in insured employees in employment from 438,000 to 449,500 between 1950 and 1961. These trends are broadly similar to those in Great Britain (a fuller comparison of employment trends in Northern Ireland and Great Britain is given in Appendix III), but proportionately the total increase in employment in Northern Ireland has been considerably smaller, the decrease in agriculture and textiles larger and the increase in distribution less marked; on the other hand, employment in construction and in professional services has risen faster in Northern Ireland than in Great Britain.

26. Unfortunately, as the figures in Appendix V (lines 4 and 5 (a)) show, the increase in employment has not kept pace with the increase in the number of those demanding it. The natural increase<sup>(2)</sup> in the population is about 15,000 per annum and during the last inter-censal period, 1951 to 1961, the average net migration was about 9,000 a year, of whom about

(1) The figures differ from those at Appendix II, Table I, by including part-time workers.

(2) The birth rate in Northern Ireland is now 22 per thousand of the population compared with 19 in Scotland and 16.5 in England and Wales. It has been estimated that the male population aged 15 to 64 will be nearly 20 per cent. higher than at present by the end of the century. Unless there is either a marked reduction in fertility over the next few decades, or an appreciable increase in migration, the working population will go on rising.



5,000 were insured workers going to Great Britain. In consequence, since 1951 average unemployment in Northern Ireland has never remained below 30,000 for a full year; for 1961 the average was 36,143. While male unemployment has been subject to seasonal fluctuations, female unemployment has been more affected by the cyclical movement in the textile and clothing industries.<sup>(1)</sup> The establishment of new enterprises tends for a number of reasons to reduce unemployment by much less than the total number of new jobs created. There are, especially in rural areas, many more women who would be willing to accept work if it were offered, than are shown in the employment figures. Secondly, there is a tendency for men who have left to take up employment in Great Britain to return if jobs become available in Northern Ireland.

27. An analysis, by occupational groups, of the current unemployment situation is contained in Appendix X, Table I. Outside a radius of about 20 miles from the centre of Belfast there are no concentrations of time-served craftsmen amongst the unemployed. Shipbuilding and general engineering craftsmen make up about 68 per cent. of the total unemployed craftsmen in the Belfast area and 57 per cent. of the Northern Ireland total. The great majority of the remainder are building trade craftsmen. The ratio of craftsmen to other men registered as unemployed is about 3 : 7 in the Belfast area, while outside Belfast the ratio is 1 : 9. About 60 per cent. of the unemployed craftsmen are under the age of 45. Of the 21,000 unemployed men (83 per cent. of the total unemployed men aged 18 or over) who are not time-served craftsmen, nearly half are classed as general labourers, the proportion being the same in Belfast as in Northern Ireland as a whole. About 40 per cent. of the unemployed women could be said to have a background of experience as trained workers in various occupations in manufacturing industry, four-fifths of them in the textile or clothing industries.

28. In arriving at a judgment about measures to reduce unemployment, it is obviously of great importance to know how suitable the unemployed are for the kind of work that is or might be available. An analysis of the ages of unemployed workers (Appendix X, Table 2) shows that 17,000 men and 9,000 women are under the age of 45 years. Normally a new or expanding industry looks for workers in the lower age groups when building up its labour force.<sup>(2)</sup> The numbers of unemployed persons under 45 years can, therefore, be taken as an indication of the numbers available for employment in new industry who would also be suitable for training for such industry, although there might be added to the figure for males some of the 1,500 craftsmen over that age. Undoubtedly, however, some of the men and women under 45 could not be trained to the standards required. On general grounds it is probable that, as unemployment diminishes, the remaining unemployed will increasingly be mainly fitted for unskilled jobs. Before unemployment reached the levels common in many regions of Great

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(1) Over the last 11 years, between mid-October and mid-February, there has been an average seasonal increase of 10,600 in the number unemployed, including 9,400 men and 1,200 women. Of the men, some 6,400 were from the agriculture, quarrying and construction industries. In Great Britain the average seasonal increase accounted for by these industries was 23,000.

(2) The total labour forces in eight factories opened in recent years contained 78 per cent. men and 86 per cent. women under the age of 40 years.

Britain there would (as in these regions) be a shortage of many kinds of labour required for new industries.

### Financial Effects

29. It is sometimes suggested that Northern Ireland suffers from a shortage of capital available for investment in the economy, and that this arises because of a flow of funds out of the region. There is a lack of information on this subject. Isles and Cuthbert have estimated (though, as they admit, on slight evidence) that in 1950 the amount of Northern Ireland capital held outside Northern Ireland exceeded the amount of external capital held in Northern Ireland. The net outflow must, however, have been reduced in the past decade by the inward movement of capital invested by new industries. There is probably some further outflow of capital through investment in Government securities of the United Kingdom and through the channels of the National Savings Movement, especially the Post Office Savings Bank and the Trustee Savings Banks.

30. Northern Ireland is part of the single capital market of the United Kingdom. It is not to be expected that in any single part of the United Kingdom the supply of funds will exactly match the local use of them: this will depend on the varying availability in different regions of opportunities for profitable investment. It has been represented to us that no enterprise in Northern Ireland requiring capital, and able to show prospects of earning a reasonable level of profit, finds greater difficulty in raising funds than do firms in Great Britain. The problem, in short, is an economic rather than a financial one. The outflow of savings to the United Kingdom Exchequer is a natural consequence of the fact that Northern Ireland is part of the United Kingdom and that the opportunities for profitable investment which it offers are less than proportionate to its savings, compared with the situation in Great Britain. There are some forms of savings (e.g., Ulster Savings Certificates) which go to the Northern Ireland Exchequer but, for the rest, it seems reasonable that local savings should contribute towards the United Kingdom Exchequer, from which Northern Ireland derives not inconsiderable benefits.<sup>(1)</sup>

31. The financial transactions between the two Governments are summarised at Appendix VI. Northern Ireland's financial relationship with the United Kingdom Government is little different in principle from that of any other region of the United Kingdom where incomes, and therefore taxable capacity, are below the general average. The same level of social services and agricultural subsidies has to be provided, though insufficient revenue arises in the region to finance them. Further, any such region is unable to contribute to the common expenses of Government in the proportion which would be appropriate if population, rather than taxable capacity, were the criterion. The differences between Northern Ireland and other less-favoured regions are mainly in the manner, and perhaps in

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<sup>(1)</sup> There has been some complaint that the exemption from income tax of the first £15 of interest on accounts in the Post Office Savings Bank and Ordinary Departments of the Trustee Savings Banks has drawn away funds from the Northern Irish banks which might otherwise have been available for investment in Northern Ireland. In this respect the Northern Irish banks are in a position no different from the joint stock banks in Great Britain. It has also to be borne in mind that, since there is no money market in Northern Ireland the banks contribute little to the short-term financing of the United Kingdom Government and advance a correspondingly larger proportion of their assets to customers.

the degree, in which this individual region is subsidised by the central Government. It happens that the figures can be more clearly determined for Northern Ireland than for other parts of the United Kingdom because of the existence of a separate administration. The total annual payments from the United Kingdom under various agreements, the general object of which is to ensure parity of benefits for Northern Ireland, amount at present to about £40 million. The common expenses of Government are those which the Imperial Contribution is intended to cover: defence, foreign and colonial services and debt service. The Contribution is a residual charge on the Northern Ireland budget after the expenditure of the Government of Northern Ireland has been met: it has been relatively small in recent years. If it were assessed on the assumption that the cost per head of the population of these services should be the same in Northern Ireland as in Great Britain it would be about £50 million per annum higher than it is at present. Any increase in aid for economic development which falls to be financed by the Government of Northern Ireland would further reduce, or perhaps even extinguish the Imperial Contribution.

### The Problems

32. The economy of Northern Ireland has advanced considerably in the past decade. Personal income per head has risen from £168 in 1950-51 to £284 in 1959-60 (these figures compare with £221 and £378 respectively in Great Britain). The index of industrial production has risen from 89 in 1950 to 125 in 1960, a rise of 40 per cent., compared with one of 35 per cent. for the United Kingdom. Nevertheless the problem of high unemployment remains as serious as ever. Up to the present the development of new industries and the increase of employment in services has kept pace with the rise in the working population and the fall in employment in old established industries. Assuming that the level of economic activity in the United Kingdom rises at the same rate as in the past an estimate of employment in Northern Ireland in mid-1965 might be as follows:

	<i>mid-1961</i> ( <i>'000s</i> )	<i>mid-1965</i> ( <i>'000s</i> )
Agriculture, forestry, fishing, quarrying ...	17	17
Manufacturing ... ..	177	180
Services ... ..	256	267
	<hr/>	<hr/>
Total ...	450	464
Unemployed ...	33	31-36
	<hr/>	<hr/>
Insured employees	483	495-500

(A more detailed analysis is at Appendix VII.)

This estimate takes account of the redundancy in shipbuilding already announced, and allows also for some decline in employment in the linen industry: it assumes the creation of an average of 3,500 to 4,000 jobs in new industries in each of the next four years, as compared with an annual average of 2,250 created over the last 10 years. On these assumptions it does not appear that it will be possible to do more than has been done in the past, *i.e.*, to prevent the percentage of unemployment from rising in the face of the increase in the working population and the decline in employment in the older industries. It would not be possible to reduce that percentage.

33. The problem of unemployment might be eased by increased migration. A consequence of the political relationship with Great Britain is that there are no legal or administrative obstructions to the movement of labour there. To the extent that further migration could be encouraged it would be possible simultaneously to ameliorate the problem of unemployment in Northern Ireland and the shortage of labour in areas such as the Midlands. This might, moreover be more economical than encouraging new industries in Northern Ireland. For a number of reasons which we discuss in Section IX of our report, however, the amount of migration has been less than the natural increase in population and insufficient to reduce local unemployment. Migration has never been regarded by the United Kingdom Government as the main means of dealing with problems of local unemployment in Great Britain, and there would be obvious political difficulties in Northern Ireland if migration were to be regarded as the only measure to be considered. The problem of local unemployment must, therefore, be dealt with to a substantial degree by further measures to promote employment locally.

34. If Northern Ireland were a separate country she would not enjoy the benefits which she derives from her position as part of the United Kingdom, but would be free (and, indeed, compelled) to develop independent policies to protect her balance of payments and foster economic growth. These would probably include protective tariffs; and exchange rate policy designed to encourage exports and save imports, and external trade policies directed to the same end; and the maintenance of wage rates at a level sufficiently low to enable her exports to compete. None of these possibilities except the last is even theoretically open to Northern Ireland. As a comparatively small part of a large and diversified economy it is very unlikely that Northern Ireland could maintain increased employment devoted entirely, or even predominantly, to the production of goods for the local market. The sacrifice of economies of scale would mean that Northern Ireland would not be competitive if she tried to be self-sufficient, doing a lot of things rather badly rather than a smaller number well. Moreover, as we have noted, she cannot reduce imports by appropriate tariff or exchange-rate policies. In consequence, although measures which stimulate employment, and so lead to higher incomes, will stimulate the demand for things like services, which can only be produced at home, a large part of the additional demand will be spent on increased imports from other countries, especially Great Britain.

35. Increased imports have to be paid for. The obvious way of doing this is to generate more income from exports. At present, however, costs of production are not low enough in comparison with those elsewhere to enable enough exports to be sold. Northern Ireland cannot, therefore, balance her payments with the outside world, including Great Britain, if internal demand is high enough to sustain full employment. Since she has no separate currency or central bank she has no funds with which to stimulate activity to this level; but even if she had, the funds would flow out and she would have a balance of payments deficit. A persistence of unemployment at a level well above that in Great Britain keeps down purchasing power and thus imports. But unemployment would be higher still if it were not for the subventions of various kinds from the United Kingdom

Government (discussed in paragraph 31). If the present level of unemployment is to be reduced, either these subventions must be increased or more goods must be produced at competitive prices, which would replace imports or provide additional exports.

36. We do not rule out the encouragement of production for the local market where this looks like being competitive. The growth of income will, moreover, naturally lead to an increased demand for local services. But we are clear that the permanent solution of Northern Ireland's difficulties requires above all the development of additional exports, either by existing industries or by new ones. The problem is to promote the kind of economic development which will make this possible.

37. Northern Ireland is a region where, for the reason which we have noted, industrial development has not progressed as far as in the United Kingdom as a whole. In view of the decline in employment in several of the industries which have been mainstays of the economy in the past but which seem unlikely to offer the same opportunities of employment in future, there is now a clear need for diversification of her industrial structure. Her economic future clearly depends on the possibility of maintaining and increasing industrial development of new kinds, both by the diversification of the region's own economic resources and by the attraction of new industry from outside. The new types of industry should be those whose products can be sold for the most part outside Northern Ireland; they should, if possible, have a high labour content, and a high value in relation to their bulk, in order to minimise the importance of transport costs. If such industrial development is to succeed it is important that the relationship between earnings and productivity should be at least no less favourable than in corresponding industries in Great Britain.

### III.—NORTHERN IRELAND AND THE EUROPEAN ECONOMIC COMMUNITY

38. It would obviously be unrealistic to discuss measures to improve the economic situation of Northern Ireland without some reference to the probable effects of a decision by the United Kingdom to join the European Economic Community. Those effects might be very considerable but they are hard to predict, partly because it is uncertain how the principles laid down in the Treaty of Rome will be worked out in practice. We can, therefore, do no more than draw attention to probable effects as they appear in mid-May, 1962, without offering a view as to their likelihood or magnitude.

39. The possible effects on agriculture will be of greater significance for Northern Ireland than Great Britain because agricultural output forms a much greater proportion of total output in Northern Ireland. Ministers have given the assurance that the interests of United Kingdom farmers must be safeguarded. At the present time it is extremely difficult to assess what would be the effects of a common agricultural policy, the further development of which would in any case be effected by accession of the United Kingdom to the Community, and much of which has in any case still to be worked out. The pattern of farming in Northern Ireland is, however,

not so markedly different from that in the United Kingdom as a whole<sup>(1)</sup> as to suggest that satisfactory arrangements for United Kingdom agriculture would not provide adequately for the interests of Northern Ireland.

40. In so far as prediction is possible, an assessment of the prospects of the principal industries suggests that their activity would not be significantly affected either adversely or favourably. Some industries may lose ground in the United Kingdom market with little or no prospect of offsetting these losses in Continental markets but the total effect might not be much more than marginal. In general the Treaty of Rome requires the elimination of aid by Government to industry, which distorts competition between member States, but exceptions may be made for areas with low standards of living or serious unemployment. There is a procedure for reviewing existing aids and for giving permission for new ones, which might be invoked on behalf of Northern Ireland. There are no grounds for fears that the Community would unreasonably object to the continuance of existing measures or to the adoption of new measures if these proved necessary.

41. If the Irish Republic also were to join the Community, trade barriers between Northern Ireland and the Republic would eventually be lowered and the market which can be reached without a sea passage would be enlarged, though the value of this extension would probably be a qualified one. Northern Ireland's industry has never depended primarily on the Irish market and is unlikely to do so whatever changes are made.

42. Acceptance of the principle of the free movement of workers between member countries is one of the conditions of joining the Common Market. It is reasonable to expect, however, that, under the Treaty of Rome, the implementation of this principle will be a controlled and progressive process. If the United Kingdom join the Community it would be desirable that the element of control should be sufficient to ensure that so long as the level of unemployment remains high in Northern Ireland there will be no such influx of workers as would raise it further.

43. At present the social security benefits of the Government of Northern Ireland are confined to persons who have resided there for minimum periods. It seems unlikely that these residence tests could be maintained in the Common Market. So long as the immigration of labour is controlled, no serious burden should fall on public funds.

#### IV.—PRESENT MEASURES TO CREATE EMPLOYMENT AND THEIR EFFECTIVENESS

##### Existing Measures

44. Although the economic powers of the Government of Northern Ireland are very limited, as we have noted, its existence as a separate Government does mean that it can develop measures for promoting employment in its area different from those pursued in Great Britain. In view of the much higher rate and wider distribution of unemployment, the measures cover the whole of Northern Ireland, and not certain development districts only, as in Great Britain; and the inducements offered are normally greater.

<sup>(1)</sup> The major products of Northern Ireland (fatstock, pigs, eggs, milk and potatoes) account for 90 per cent. of Northern Ireland's agricultural output and the corresponding percentage for these commodities in the United Kingdom is as much as 70 per cent.

45. We do not discuss here the assistance given to agriculture in Northern Ireland on which there is a note at Appendix VIII. This, like the measures of help to industry which we are about to examine, undoubtedly helps to maintain employment, but this is not its primary purpose. Almost the whole of this assistance to agriculture is given in pursuance of policies which extend to the whole of the United Kingdom, though Northern Ireland's share is relatively large, owing both to the relative importance of agriculture in her economy and the structure of her agriculture. There is a small special subsidy given to Northern Ireland on grounds of her remoteness from markets.

46. Help is given to industry in Northern Ireland in a considerable number of ways. The most important of these are authorised under the Capital Grants to Industry and the Industries Development Acts (Northern Ireland). Under the former powers all manufacturing and processing industry is entitled to a grant of  $33\frac{1}{3}$  per cent. of its capital expenditure on machinery and new building work each year. The Ministry of Commerce may, in special circumstances, exercise a discretion in deciding whether a firm should be entitled to a grant, but normally the grant follows automatically on admission of the expenditure by the Inland Revenue for the purpose of capital allowances and the Ministry does not seek to assess the desirability of the investment. For existing firms the grant is payable without limit though the Ministry has the power to refuse a grant if it so wishes. For new firms the grant is limited in each year to £130,000 in respect of plant, etc., and to £70,000 in respect of buildings.

47. It is open to a new industry, or an existing industry planning extension with additional employment, to receive grants under this scheme as an alternative to the special scheme for new industries, subject in the case of a new firm to the annual limits mentioned above. Such developments, providing on average a total of 500 to 1,000 jobs a year, are, in fact, assisted in this way and account for about a third of the money currently spent under the Acts. From the inception of the scheme to December 1961, 30.2 per cent. of the grants have been earned by the food, drink and tobacco industries, 22 per cent. by textiles, 18.2 per cent. by engineering and 12.4 per cent. by mineral products. The total payment of £13.6 million in the five years to 31st December, 1961, was related to capital expenditure<sup>(1)</sup> by industry of £48.9 million.

48. Most of the aid to new firms is given under the Industries Development Acts. The powers available are very wide and aid of almost any kind (including aid to meet current costs) can be given, but in practice most of it is capital assistance. Grants of up to  $33\frac{1}{3}$  per cent. of capital costs are normally given but this percentage may be exceeded for specially desirable projects, or where the investment in plant is not heavy enough to earn the grant required to attract the industry. Less than  $33\frac{1}{3}$  per cent. is given if the investment is especially heavy in relation to the employment offered. In general the Government of Northern Ireland works within limits set by the amount which it is willing to pay to establish a particular firm and the amount necessary to attract it. In addition, grants may be given, usually at a much higher rate, towards expenses which do not earn

(1) Gross capital expenditure on new buildings and machinery, less the value of assets realised by sale or disposal, and less other capital receipts except the grant.

a grant under the Capital Grants scheme, e.g., the transfer of plant and key workers. Most of the expenditure under the Industries Development Acts takes the form of factory building. The rents charged for standard types of factory are below the cost required to service the capital outlay. An important additional attraction is that a firm does not have to find capital for investment in buildings. The advance building of factories also permits new industries to undertake development at short notice.

49. It may appear anomalous that new industries should receive grants of 33½ per cent. in normal cases and less in some cases, whereas existing industry receives a virtually automatic rate of 33½ per cent. under the Capital Grants scheme, regardless of the effect on employment. Such a comparison would, however, be too narrow. Firstly, assistance under the Industries Development Acts (which is not necessarily limited to 33½ per cent.) can apply to a wider range of expenditure than that under the Capital Grants to Industry Acts (e.g., cost of transfer of staff, stocks and plant, and the purchase of second-hand buildings). Secondly, since the aid is mainly in the form of factory building, the new or expanding firm can save the whole of that part of its capital expenditure on this type of investment in return for a rental which can be less than half the interest normally payable on such an investment. Thus, through a combination of grants, the provision of modern premises on attractive terms and, occasionally, by loans, the Government can provide for a new firm, or for a substantial expansion, much more than a third of its requirement of capital.

50. The general effect of these measures, therefore, is to give a preference to new industrial development. The Capital Grants to Industry Acts provide the incentive for re-equipment or minor expansion in existing industry; the Industries Development Acts provide the special incentives for new industries (including substantial expansions undertaken by existing industries). The maximum rate of grant under the former is fixed; under the latter the amount of assistance varies to take account of the amount of inducement required in any particular case to bring the project to Northern Ireland, the amount and type of employment in relation to the expenditure involved, potential growth and ancillary effects, and the proposed location within Northern Ireland.

51. In addition, industrial activity is encouraged by a variety of other measures, including a subsidy on industrial use of coal and forms of power derived from coal, and the de-rating of industrial premises by 75 per cent. All these and other, lesser, measures are described in detail in Appendix IX.

### The Scale of Aid

52. The amount of aid may be summarised as follows:

#### A.—Major Measures

	1961-62 cost	Five years to 31st March 1962
(1) Capital Grants Acts (of which about one-third is currently for additional employment)	£4.5 million	£14.2 million <sup>(1)</sup>
(2) Industries Development Acts—		
(a) Grants ... ..	£425,000	£3.1 million
(b) Factory building ... ..	£4 million	£18 million
(3) De-rating (all industry) ... ..	£1.6 million	£6.7 million
(4) Coal subsidy ... ..	£750,000	£3.75 million

(1) Includes £200,000 under the superseded Re-equipment Scheme.



B.—*Other Measures* (mainly used for new industry or existing industry where additional employment is offered)

Loans for the development of industries (£203,000 in the past five years, but now being granted more freely)<sup>(1)</sup>; guarantees of loans for the development or reconstruction of an industry (loans totalling £105,000 have been guaranteed in the last five years); grants towards the cost of transferring plant to Northern Ireland; grants towards housing of key workers; training in Government Training Centres or grants towards the wages of workers under training with employers (£400,000 expended in last five years); grants to appropriate authorities for the improvement of basic services required by industry (£650,000 in last five years).

The total expenditure over the past five years amounts to £46½ million—about 9 per cent. of gross expenditure on supply services by the Government of Northern Ireland.

### Classification of Aid to Industry

53. The aid to industry falls into three categories:

- (a) *Aid given to industry generally, i.e., de-rating and the coal subsidy.* This has amounted in the last five years to just under a quarter of the total (£10.4 million).
- (b) *Aid given to firms for re-equipment or conversion.* This covers currently two-thirds of the aid shown under A(1) in paragraph 52.
- (c) *Aid given to new firms or to expansions of existing firms.* This covers all the aid shown under A(2) in paragraph 52 and currently a third of that shown under A(1). The figure is not directly comparable with the others, since firms provided with factories do pay rent or amortisation charges, though on favourable terms.

We have attempted, with limited success, to answer the question how effective each of these three categories of aid is in relation to its cost.

### Aid to Industry in General

54. Firms in Northern Ireland are at present exempted from 75 per cent. of rates, compared with an exemption of 50 per cent. in Great Britain. At present the advantage enjoyed by firms in Northern Ireland does not appear to be large, since rates amount on average to no more than about 1 per cent. of the value of net output. It varies not only with the percentage of exemption but according to the basis of assessment and the poundage: these vary widely from locality to locality in the United Kingdom. It seems likely to increase after 1963, when industrial de-rating ceases and the valuation for rating is reassessed in England and Wales (the reassessment in Scotland is already proceeding) but it is not possible to assess in advance the effect of these changes. The comparative advantage is most apparent in industries such as shipbuilding and aircraft manufacture which require large rateable assets for their operations.

(1) Exceptional powers were taken in 1961 under the Loans (Belfast Air Freighter) Act, Northern Ireland, by which the Ministry of Finance was empowered to make loans up to £5 million to Short Brothers and Harland in aid of the project in question.

55. Since 1953 a subsidy of £750,000 a year has been distributed among industrial users of coal (and gas or electricity derived from coal) who consume more than 50 tons a year; the subsidy per ton therefore varies according to the amount of coal consumed. In 1961 the subsidy was equal to 15·8 per cent. of the coal bill of firms using solid fuel or an average of 20s. 6d. per ton. The purpose of the scheme was to offset the effect of transport costs by reducing the cost of one item, coal, which is more expensive in Northern Ireland than for the majority of consumers in Great Britain. The figure of 20s. 6d. per ton compares with total average costs of 28s. to 29s. per ton for transporting coal from the pit to the quay at the Northern Ireland ports; additional costs are, of course, incurred in delivery to the consumer. The scheme does not apply to oil for which the difference in cost is not as great as for coal; there is a possibility that this difference may be reduced further when the refinery is opened in Belfast in about two years' time.

56. The benefits of the coal subsidy have been uneven; a few firms engaged in processing industries requiring large quantities of coal have absorbed a share of the subsidy which is completely out of relation to their share of employment. While the scheme has helped to keep down the cost of an expensive fuel, the distribution of the benefit is in no way related to employment. A more serious criticism, perhaps, is that the scheme has acted as a disincentive upon firms which might otherwise have changed over to oil as their fuel—a disincentive which has been increased by the recent tax on fuel oil. Since coal is expensive in Northern Ireland any case for a change to oil by industrial undertakings is correspondingly stronger than in most of Great Britain. We discuss these issues of fuel policy in Section VII of our report.

### **Aid for Re-equipment**

57. The main part of this aid (*i.e.*, excluding that devoted to assisting conversion) is intended to help industry to compete by improving its capital equipment and therefore its productivity. The improvement in competitiveness must have done something to prevent a contraction of existing enterprises which would otherwise have taken place, since there is good reason to believe that many firms could not have re-equipped so quickly as they have done without help. Its justification, therefore, must lie in the preservation of jobs which would have been lost if such contraction had taken place. In the nature of things, however, it is impossible to assess what this aid has achieved. The difficulty of assessment can be illustrated by taking the single case of the linen industry. Over the five years to March 1961 it employed, on average, 46,000 people. During that period it received capital and re-equipment grants amounting to £1½ million, coal subsidy of £1 million and derating assistance of the order of £1½ million, making a total of £4 million. Employment in the linen industry has fallen from 52,000 to 42,000 over the period, but it is impossible to demonstrate how much more rapid the fall would have been if no assistance had been given and therefore how many jobs were saved by the £4 million. The reasons for the contraction of the industry have, moreover, been complex (*cf.* paragraph 19) and have not all been due to comparative costs. All that can be said is that the expenditure of £800,000 a year must have had *some* effect in maintaining employment, though no assessment of that effect can be made.

## **Aid to New Firms or for Expansion of Existing Firms**

58. On 31st December, 1961, employment in new firms and expansions undertaken with some form of Government assistance amounted to 47,900; it had risen by 25,850 since mid-1950, an average of nearly 2,250 a year. The employment targets of these firms amounted to 54,059, so that if their plans are realised they will, in due course, provide up to 6,150 additional jobs. In addition, projects which at that date had not yet begun production, but for which negotiations were complete, were expected to provide a further 9,000 to 10,000 jobs over the next few years.

59. The cost of obtaining this additional employment is represented by the grants to firms undertaking developments plus the element of subsidy involved in providing them with factories at low rents. A rough calculation, taking both together, shows the average cost per job to date to be £420; the average has risen for projects which have begun production since 1955. The higher figure for recent cases reflects the changed value of money and a greater willingness to give a high level of assistance in selected cases. In certain industries it has been necessary to give a particularly high level of assistance, but this has been justified by the special value of the development to Northern Ireland.

60. Whether the whole of this cost need have been incurred cannot be assessed. It is true that a few of the new industries might have come to Northern Ireland if no special inducements had been available, but clearly once assistance has been generally offered as an inducement to attract industry, it is impossible to determine which industries would have come without assistance.

## **V.—CONSIDERATIONS RELEVANT TO FUTURE POLICY**

61. We have drawn certain conclusions from our brief analysis of the economic problems of Northern Ireland (cf. paragraphs 32–37), and have commented on the measures which the Government of Northern Ireland has taken to deal with them (cf. paragraphs 54–60). Our terms of reference direct us to examine and report on the measures which might be taken to bring about a lasting improvement in the situation. Before considering these, however, we think it necessary to discuss certain general considerations which seem to us relevant to any recommendations on individual measures.<sup>(1)</sup>

### **General Considerations**

62. Any policy for developing the economy of Northern Ireland and for reducing unemployment there necessarily involves help to the region, and the implication of our terms of reference is that additional help may be needed. Any judgment as to the amount of additional help which might be justified depends, first of all, on an assessment of the future employment prospects; and, secondly, on a mixture of economic, social and political considerations. We have assessed the future employment prospects (cf. paragraph 32) though, as we have emphasised, any such assessment can only be tentative. The conclusion which emerges from these figures is that, given the shrinkage of employment in the shipbuilding and aircraft

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<sup>(1)</sup> We discuss the special considerations relevant to the distribution of industry in Northern Ireland in a separate note at Appendix XII.

construction industries which seems probable, the results to be expected from the present level of inducements to new industry and to re-equipment will at best keep the number of unemployed from rising above its present level and (owing to the increase in the working population) will slightly reduce the percentage of unemployment between now and 1965, but will do no more. Thereafter the prospects are even more uncertain. The factors of uncertainty are the same: the future of the existing staple industries and the success of the policy of attracting new industry and of encouraging diversification in the region. If employment in those industries which have been declining reaches stability within the next two or three years while employment in new industries continues to grow, the situation will improve considerably. We are not agreed as to the possibility of this course of development.

63. We are not called upon to make any recommendation as to the amount of help which might be justifiable. We think it appropriate, however, to offer comments on a number of considerations which seem to us relevant to any decision on that point.

64. The first is that, whatever the theoretical economic arguments for and against encouraging industry to develop in areas where it would not develop on its own initiative, it has never been accepted as a principle of Government policy that workers should always be moved to work, and never work to workers. If it is accepted that, for social and political reasons, there can be no unqualified policy of moving the workers to the work, then some help to ensure that the excess supply of labour in the less fortunate regions is usefully employed is not merely socially but also economically sensible. Unemployment benefit and national assistance grants must in any case be paid to the unemployed and these represent a demand on resources: the extra resources needed to put them to work should be outweighed by the value of the product of that work.

65. There are strong political and social arguments in favour of aid to Northern Ireland. It is not for us to elaborate the political arguments. The social argument is that Northern Ireland has had, ever since the beginning of her existence as a separate political entity, a much higher rate of unemployment (and a lower income per head) than the rest of the United Kingdom. The political and social arguments are combined in the argument that the prime necessity is to put more men and women in the region to work or to keep them in work, and that Ulstermen should not be compelled to leave the region to find work.

66. To state these arguments is not to suggest any obvious judgment on them. Such a judgment depends, for example, on the view that is taken of the extent to which the development of industry ought to be encouraged in extreme cases such as that of Northern Ireland, and the possibilities of claims for more generous treatment from other regions if the already generous measures of help are increased. Whatever judgment may be formed on this point, however, it is obviously important to ensure that the most effective use is made of the amount of help which Northern Ireland already receives. It seems appropriate, therefore, to consider what kind of economic development is desirable in Northern Ireland, if the region is to have its share of the prosperity of the sixties, and what practical limitations must be borne in mind.

## Objects of Policy

67. The economic difficulties of Northern Ireland are like those of the development districts of Great Britain, though more acute, and the policy for dealing with them must, we assume, be on similar lines also. It must aim at counteracting, and eventually overcoming, the forces which produce a very much higher level of unemployment and a lower standard of living than in Great Britain, by the use of all reasonable methods, and without undue reliance on emigration. The aim must be to increase the level of local production, employment and incomes, and to maintain them without permanent help to industry in Northern Ireland, the cost of which must eventually fall on the United Kingdom Exchequer. Hence the economic prospects of the new firms receiving help should be such that permanent subsidy will not be required: they should be able to look forward to competing with industry elsewhere in the United Kingdom.

68. We have pointed out in earlier paragraphs that employment and incomes in Northern Ireland can be increased by the production of additional goods and services which can either be sold outside Northern Ireland, or which replace goods and services previously imported into the region. The scope for expansion to replace imported items is limited but, in theory at least, a wide variety of items can be produced for sale outside Northern Ireland. The object must be to assist economic growth. Where staple industries are in long-term decline it may be economic to introduce measures to assist the conversion, or adaptation, of existing enterprises to new forms of industrial production. The ideal policy would be to ensure that in the allocation of Government funds preference is given to the encouragement of new industries and, further, that funds are not unnecessarily diverted to the maintenance of existing industry. Such diversion might prove more costly than the attraction of new industries, and might even prove an obstacle to it.

69. In areas where labour is in excess supply, new industries should preferably be labour-intensive rather than capital-intensive. This consideration may, however, not always be of direct importance if, for example, secondary industries may be created which are themselves labour-intensive. Similarly, the point may be less important if an enterprise is expected to contribute in other ways to economic growth. The immediate problem is largely one of providing jobs for men, since the majority of the unemployed on the register are men, and the creation of new jobs for women would, to some extent, draw into work women who would take it if it were conveniently offered, but may not be registered as unemployed. Here again, however, the force of this immediate preference may be lessened if the enterprise should contribute in particular measure to the economic growth which leads to a general increase of incomes and employment.

70. Since the register of unemployed contains a preponderance of unskilled workers, and since new industry will usually require a labour force which includes a number of skilled and semi-skilled persons, an essential part of the assistance to new firms will be in the training of labour, either in advance through Government training schemes, or by the firms themselves after their establishment.

## Limitations of Policy

71. A number of limitations must be recognised which affect the realisation of these objects of policy. In the first place it would be unrealistic to expect that Northern Ireland can, in the foreseeable future, hope to reduce unemployment to as low a level as that in Great Britain. If the region is eventually to be fully competitive, local costs should be rather lower than similar costs in Great Britain, in order to compensate for other costs which may be higher. In order to achieve this, output must be relatively higher, or else either earnings or overheads must be lower. This would be difficult to achieve in a static economy; it will be even more difficult to achieve if the demand for labour is rising. A further reason why unemployment may remain higher than in Great Britain is that there are a considerable number of older, unskilled men on the unemployed register and a good many of the unemployed are either widely dispersed or only available for work near their homes. There may, in the most favourable circumstances, be a residual problem of this kind for many years, though it may be alleviated by employment on public works and seasonal relief work.

72. Secondly, it appears unlikely that unemployment in Northern Ireland can be reduced to an acceptable level so long as employment in the staple industries continues to decline. Moreover, considerable changes will have to take place in the economy of the region as a whole. These are bound to take time. For both these reasons there may be a case for a considerable measure of Government help even when employment, output and incomes begin to approximate more closely to those in Great Britain.

## Present Policy

73. The Government of Northern Ireland has endeavoured to develop policies designed to achieve the objects described above. The encouragement given to industry (as the analysis in Section IV shows) is mainly non-recurrent capital assistance. Financial aid to existing firms (apart from de-rating and the coal subsidy) is related to investment in plant and buildings. The Government also helps to train potential employees either directly or indirectly.

74. The kinds of help which the Government has developed to attract new industry are naturally those which have been found most effective. We have noted that the Industries Development legislation provides a very wide range of possible kinds of help which the Government can offer. Most of the assistance has been through the provision of capital in one form or another; it is this which appears to make the greatest appeal.

75. Since the Government of Northern Ireland began to assist industrial development two-fifths of the new developments under this policy have originated within Northern Ireland. Such new developments generally employ a smaller labour force than those which are branches of undertakings already well established elsewhere. The result is that employment from new projects originating within Northern Ireland is only about one-quarter of the total provided by all new firms.

76. The use of aid to support existing industry might be more difficult to justify if new industries were establishing themselves at a rate sufficient

to offer enough jobs to expand industrial employment, in spite of the contraction of the old staple industries. This, however, is not the case: the amount of new industry willing to come to Northern Ireland has up to now been insufficient to achieve this object, though the rate at which new firms have been attracted has risen in 1960 to a level sufficient to promise twice as many jobs compared with the average of previous years and, in 1961, has almost doubled again. This success has been due both to the vigorous efforts of the Government of Northern Ireland to attract new industry and to the policy of the Board of Trade in steering new firms away from areas of industrial congestion.<sup>(1)</sup> The Government of Northern Ireland has felt up to the present, however, that the results of its efforts in this direction might be frustrated by the possible rate of contraction in the old, staple industries on which the region has been and still is so dependent. For this reason, as the analysis in Section IV shows, at least as great a part of the available aid has been devoted to maintaining existing jobs as to creating new ones.

77. There is a further point to be borne in mind when the existing pattern of aid to industry is reviewed. Changes in that pattern necessarily evoke complaint from those who lose by such a process. Even if the funds devoted to industrial de-rating or the coal subsidy could be more effectively used, these, like any other forms of aid, have created in the minds of the recipients an expectation that they will continue. There may well be grounds for reconsidering the ways in which financial help is given, especially if the amount of that help is likely to be limited, but any reshaping of the present forms of aid must have regard not merely to the economic but also to the political effects of discontinuing kinds of aid which are given at present.

78. Since the number of firms which can be induced to come to the region at any particular time is limited the freedom of the Government of Northern Ireland to assist only those undertakings which appear particularly suited to assist the growth of the economy is limited also. The Ministry of Commerce has, in the past, sought the advice of industrial consultants as to the industries to approach; and the Northern Ireland Development Council has made concentrated publicity drives to attract industries which appeared suitable. Experience of these methods has convinced the Ministry that its best course is to seek to ensure that Northern Ireland is brought to the notice of all industry which is on the point of expansion.<sup>(2)</sup> (There is naturally a prima facie case for assuming

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(1) Experience of individual cases points to the conclusion that an important factor in achieving these results has been the strict control of industrial development in the more congested areas of Great Britain: as a result firms wishing to expand have been obliged to examine areas other than their first choice, and Northern Ireland's attractions have been more fully considered. Similarly foreign, particularly American, firms wishing to develop in the United Kingdom have been warned against establishing themselves in the more obvious industrial centres. If there were any relaxation of present policy on the issue of Industrial Development Certificates the number of firms giving serious consideration to Northern Ireland might well be substantially reduced.

(2) It is frequently asserted that Northern Ireland should not attract new industry in the form of branches or subsidiaries because, in time of trade difficulty, the outlying branch is easily closed, whereas the firm as a whole continues. It could as justifiably be claimed that a branch is able to survive difficult conditions because it is supported by the parent whereas an independent unit would have no support. Whatever the truth of this argument, Northern Ireland's main source of new industry must be the attraction of firms from Great Britain, where a large proportion of industry is organised in major groups, and the flow would be reduced to very small proportions if the choice were limited to the few firms which are at once small enough and willing to consider a complete transfer to Northern Ireland. In practice firms usually transfer certain sides of their production to Northern Ireland or develop new lines there and it is rare to have identical production in different plants.

that any project which a firm is prepared to develop in Northern Ireland is suitable for development there.) This is not to say, however, that help is offered unconditionally or without discrimination. The terms of the Industries Development Acts require the Ministry of Commerce to be satisfied that the new undertaking will operate successfully and will eventually be able to stand on its own feet. In addition, the level of aid can vary according to the value placed by the Government upon the development; certain general tests are applied as to the type of employment to be provided, the capital required in relation to the employment given, and the effect of the development on existing firms. All this, however, is far from implying that the Government of Northern Ireland is free to pick and choose the new industries which it wishes to attract to the region or the forms of conversion which it wishes to encourage.

79. Finally, in the attraction of new industry, there must be limits to what can and should be done by the Government. The Northern Ireland members do not consider that the existing statutory powers of assistance to new industry restrict them from offering sufficient assistance to attract any industry which can reasonably be expected to operate economically in Northern Ireland. The present scale of help is, on average, very generous. We should be reluctant to see it raised to a level which might destroy the initiative and responsibility of private enterprise, and possibly involve the Government in questions of management.

### **Concluding Comments**

80. The preceding discussion reveals a number of contrasting considerations. First, it would be undesirable to give permanent subsidies to industry in Northern Ireland; on the other hand, it is clear that aid must continue for some considerable time. Secondly, aid can more effectively be used to encourage the growth of new industry than to support industries which have either ceased to expand or are in decline; on the other hand, the scale of aid to new industries is already very generous, while there can be no firm assurance as to the future prospects of employment in a number of staple industries. Thirdly, if aid is limited it is important that the best use be made of it; on the other hand, there is difficulty in discontinuing existing kinds of aid. The two main questions which emerge from these conflicting considerations are whether additional aid should be given to maintain, rather than to create, employment; and whether additional funds are needed to provide it.

## **VI.—GENERAL MEASURES OF FINANCIAL AID**

81. In this Section we discuss, in the light of the foregoing observations, certain measures involving substantial financial aid, which are either at present in force, which have been proposed to us, or which we ourselves bring forward for consideration. We deal, first of all, with the possibility of increasing existing forms of help (capital assistance, and the public works programme); we then refer to two existing forms of help, the justification of whose continuance is open to question (de-rating and the subsidy to industrial users of coal). We refer in passing to the question of a subsidy for sea transport (cf. paragraph 4 above): this possibility has often



been suggested. We then discuss two proposals put forward by the Government of Northern Ireland: a subsidy to labour costs and a system of grants in reimbursement of taxation which might be made to new enterprises in their early years of operation.

### **Capital Assistance**

82. Various forms of capital assistance are, as we have seen, the main force of inducement offered to industry by the Government of Northern Ireland. We have discussed (cf. paragraphs 57-60) the help given for re-equipment and for the creation of new or the extension of existing enterprises. From the firm's point of view capital assistance provides immediate and substantial help in reducing the amount of capital which it needs to raise itself, and a continuing saving of interest and amortisation charges or of rent. From the Government's point of view the commitment is clearly defined at the outset and involves a once-for-all payment.

83. We do not consider that the maximum rate of capital grants given to existing industry for re-equipment should be increased. It would be difficult to go beyond the limit of 33½ per cent. in a scheme of general and automatic application without losing the only satisfactory safeguard, which is the willingness of the applicant to invest a substantial proportion of the capital himself. (We discuss in paragraphs 85-89 the possibility of allowing the inclusion of the grant in the total amount of capital expenditure for the calculation of taxation allowances.) Assistance towards industrial development under the Industries Development Acts, which can be shown to provide additional employment, is not subject to any fixed limits and though normally the rate of grant given under it does not significantly exceed the rates available for re-equipment the total amount of aid can, as we have seen, be much more generous.

84. It has been suggested that loans might be given instead of or in addition to grants. Loans would obviously not attract industry as an alternative to grants; the only question is, therefore, whether they might be used in addition to them. Since we recommend no increase in capital assistance for re-equipment the question does not arise in this case. They might be used to give further capital assistance to new industries or extensions, over and above grants or the provision of factories. There has not, however, been any extensive demand for aid through loans up to the present. Nevertheless the power to make loans for these purposes exists and can be used in appropriate cases where genuine difficulty is experienced in providing the necessary capital.

### **Tax Concessions on Capital Grants**

85. Although we do not recommend any higher level of capital assistance to firms the Northern Ireland members of the Working Party have suggested that existing grants would be more attractive if firms receiving them were allowed to claim depreciation allowances on the whole cost of the capital investment and not, as at present, only on the amount contributed by the firm. This would materially increase the value of the grant. The simplest way of illustrating the difference is by taking an asset of the value of £150, depreciated for income-tax purposes over

10 years, and calculating the comparative cost to the firm on three hypotheses: that the firm receives no grant; that the grant is deducted in assessing the depreciation allowed; and that the grant is not deducted for this purpose.

- (a) *Whole of £150 provided by the firm.*—Towards this the firm would get capital allowances (discounted to allow for their spread) amounting to approximately £86. The net cost to the firm would be about £64.
- (b) *Grant of £50 deducted for depreciation.*—The firm would get the grant (£50) and allowances with a discounted value of approximately £57. The net cost would be about £43 (the value of the grant to the firm therefore being about £21).
- (c) *Grant of £50, not deducted for depreciation.*—The firm would get the grant at its full value of £50 plus allowances of £86, as in (a). The net cost would therefore be about £14.

86. These calculations bring out four points. The first is that, if the necessary profits are earned, so that the allowances can be claimed, these alone reduce the gross cost of investment by over half. This applies throughout the United Kingdom. Secondly, they therefore reduce by over half the value of any capital grant—in this case from £50 to £21. Thirdly, since the value of the grant does not depend on profits being earned, while that of the allowances does, the grant may sometimes be worth more than its equivalent in allowances: this qualifies the force of the second point. Fourthly, if the firm both received the grant and could benefit from allowances on the whole of the investment the total cost of the investment to the firm would be less than a tenth of its cash value.

87. Another suggestion, which we have considered, is that firms in Northern Ireland should enjoy a maximum investment allowance of 40 per cent. instead of 20 per cent. This would mean an immediate tax concession of nearly £11 under (b) and about £16 under (c) in addition to those shown in paragraph 85.

88. There are a number of objections to concessions of this sort. Firstly, they would be a discrimination in favour of firms in Northern Ireland in a field in which discrimination is especially liable to provoke claims for similar treatment. There is, as has been pointed out, discrimination in the rate of investment allowances granted to shipping, but this has been justified by reference to the unique difficulties of that industry, which faces competition from ships sailing virtually tax-free under flags of convenience. A concession to a whole region, comprising a mixture of industries of varying degrees of prosperity, would be far harder to defend. This argument gains particular force from the fact that such a concession would necessitate amendment of the tax law of the United Kingdom, and therefore a Clause in a Finance Bill which would certainly be the subject of much debate, in which many claims would doubtless be raised.

89. A second objection is that the first concession would grant capital allowances (including investment allowance) for capital expenditure which has not been incurred by the taxpayer at all, but by someone else; this is something against which the present law specifically provides. The

investment allowance itself produces an element of tax bonus because, taken with the other allowances, it gives relief on 120 per cent. of the taxpayer's actual expenditure; the concession would therefore give the taxpayer allowances of 120 per cent. of expenditure which he has not himself incurred. Whatever view one takes on this objection of principle, the practical effect of the proposal has seemed to some members of the Working Party to have great weight. The existing rate of grant coupled with the tax allowances can already reduce the net cost of investment to little under a third of the gross cost. We would find it hard to justify reducing it to less than a tenth.

## Public Works

90. One of the measures most frequently recommended in order to create employment is an enlarged programme of public works. In our analysis of the economic situation we reached the conclusion (cf. paragraph 35) that, since the region was far from self-sufficient, additional employment could only be created either by increased exports or by increased subventions from Great Britain. Public works must depend on the latter though these may be offset by savings in unemployment benefit and assistance payments. They may strengthen the economy and enable it to export more, but most of them are a very indirect means of doing this.<sup>(1)</sup> The case for an increase in public works on general economic grounds does not, therefore, seem strong.

91. It has been argued in the past that there is a case on social grounds, since Northern Ireland is worse off as regards social capital than Great Britain, but much leeway has been made up in recent years. Public investment in roads, water and sewerage, hospitals, local authority health and welfare services and education is proportionately higher than in Great Britain, as the figures in Appendix XI show. We do not consider, therefore, that there is a case on social grounds for any general increase in public works. Housing, however, is a special case.

## Housing

92. The average number of houses built annually in Northern Ireland between 1956 and 1960 has been slightly under 6,000. Comparison of the number of families with the number of persons per house shows a relatively unfavourable position in Northern Ireland compared with both England and Wales and Scotland. It appears that if the necessary programme of slum-clearance is to be carried out, and the ratio of persons per house to be even slightly reduced, the annual rate of house-building will have to be increased to about 10,000 a year. There is therefore a strong case on social grounds for a substantial increase in the programme. It is reinforced by the fact that, having regard to relative incomes, rents are reasonably high compared with those in England and Wales and much higher than those in Scotland.

93. There are, however, serious difficulties to be overcome. The rate at which contracts are placed fluctuates considerably and there appears to

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<sup>(1)</sup> One additional project under consideration which would have direct economic effects is a scheme for the drainage of minor watercourses. If carried out it would provide work for 500 to 600 men over a period of 12 years. The total cost is estimated at £7½ million.

be some lack of confidence on the part of local authorities. The Northern Ireland representatives consider that this is mainly due to the effect on costs of variations in interest rates: they advocate that the rate of subsidy should be varied correspondingly, in order to maintain stability in costs. Other members of the Working Party believe that the excessive fluctuation in the rate of contracts is due in much greater measure to variations in the capitalised value of the subsidy, and that the most effective encouragement to local authorities would be by maintaining a relatively high rate of subsidy.

94. The second difficulty is the lack of a skilled labour force, adequate both in size and balance: at present there is a shortage of bricklayers. The building trade unions are unwilling to agree to the training of unemployed men, either because of a feeling of uncertainty as to the prospects, or from the traditional reluctance of a craft union to increase its numbers.

95. The first difficulty will require further study by the Departments concerned. Every effort should be made to overcome the second: unless this is done no increase in the housing programme seems possible. We discuss this matter more fully in the note at Appendix XIII.

### **Sea Transport**

96. We have received a great deal of comment on the difficulties of sea transport, some relating to the quality (type, frequency, standards) of existing services, some to the effect that the charges made by those services have on the competitiveness of Northern Ireland industry. The quality and cost of existing services is clearly a matter for the House Committee and we have therefore refrained from considering whether or how the services should be improved.

97. We have however felt able to consider the effect of the costs of sea transport on Northern Ireland industry without entering the House Committee's territory. The charges might be found to be reasonable enough in themselves but still more than Northern Ireland industry could bear, if it is to remain competitive. Actual evidence on the extra costs incurred by firms in Northern Ireland is varied and inconclusive. It comes, naturally, only from firms already operating in the region; we cannot tell how many may have been deterred from setting up in business there because of unfavourable estimates of probable transport costs. It seems to indicate, however, that on average transport costs form a less significant part of total costs than is often supposed, though their importance naturally varies according to the size and weight of the goods in relation to their value, and also according to the fineness of cost margins. It was represented to us, for example, that the Belfast harbour dues were high; this is not borne out by comparison with other ports, although the position has been affected by the increase of 20 per cent. in the rates from 1st January, 1962. It was also represented to us that because Belfast is not a port of call for the larger liners, some goods destined for export to foreign countries have to be transhipped to Liverpool and reloaded there; and that this extra journey adds substantially to the cost of transport and makes it harder for goods from Northern Ireland to compete in overseas markets. This disadvantage is not peculiar to Northern Ireland (although

it may be larger) since a large proportion of the goods manufactured within Great Britain and intended for export have to bear the cost of land journeys of varying length before they reach one of the few ocean liner ports—chiefly London or Liverpool.<sup>(1)</sup> It would be difficult and perhaps impossible to estimate the comparative costs of such carriage to ocean ports of exports from Great Britain and from Northern Ireland.

98. However, the fact that raw materials, fuel, components and equipment have to reach Northern Ireland manufacturers by sea and land rather than by land alone does add to the problems of production. These seem to arise mainly from delays, handling and consequent breakages, pilferage and the difficulty of tracing components. Many firms appear to find, in consequence, that they have to maintain larger stocks of raw materials and components. Whatever the scale of these problems it does appear that Northern Ireland is at *some* disadvantage arising from difficulties of transport, and that this must, at least in some cases, be reflected in the cost of the goods produced. It is for this reason that the question of a subsidy has been raised. It might take the form either of capital assistance for improved services or of a subvention towards current costs. The information which the report of the House Committee will provide will be necessary to any exhaustive consideration of this question, but we have given some preliminary thought to it.

99. The extent to which the cost of transport services or of the capital investment necessary to them is met by the users varies considerably. Investment in new roads or road improvements, for example, brings in no commercial return, whatever its economic advantages, and it may be argued that the sea barrier between Great Britain and Northern Ireland entails more serious disadvantages than any comparable impediments of distance or topography in Great Britain, including some which are being relieved by major schemes of road improvement. Some of us feel that there are no grounds for differentiation between the cost to public funds of such improvements, and any comparable cost which would have to be borne in order either to improve transport services to and from Northern Ireland or to reduce their cost.

100. Other members of the Working Party see objections and difficulties which, in their view, override these arguments in favour of a subsidy. Once such a subsidy had been introduced it would prove difficult to discontinue it: we have already argued that aid should be of a kind which will not lead to permanent subventions to the industry of Northern Ireland. Further, it might be held to conflict with the view of the United Kingdom Government that the shipping industry as a whole should be operated on a commercial basis without subsidies.

101. The question will call for further examination when the report of the House Committee is available, but it will be clear from the foregoing discussion that the preliminary thought which we have given to it has not resulted in an agreed view.

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<sup>(1)</sup> The economics of ocean liner operation are such that it is necessary to cut down as far as possible the time spent in port. Liners therefore tend to concentrate their activities on those ports where large tonnage of liner cargoes can be assembled and Belfast does not fall into this category.

## Fuel Policy

102. In paragraphs 55 and 56 we have drawn attention to the disadvantages inherent in the scheme for subsidising industrial users of coal and the forms of energy derived from coal: it helps fuel-intensive industries (such as cement manufacture) which are not large employers of labour, and discourages conversion to oil. Under present conditions oil is a natural fuel for Northern Ireland. The transport problem of conveying crude oil to Northern Ireland cannot be much greater than in the case of Great Britain, and when the new refinery is completed its price should be little higher than in Great Britain. If the subsidy were discontinued we would expect that the rate of conversion to oil—which in Northern Ireland has lagged behind that in Great Britain—would be increased in future.

103. Government policies affect the comparative prices of coal and oil in Northern Ireland in two ways, since coal is subsidised while oil is taxed. Withdrawal of the coal subsidy would reduce the discrepancy in treatment, but the Northern Ireland members have suggested that an alternative way of doing so would be to exempt industrial users in Northern Ireland from the tax of 2d. per gallon imposed in the Finance Act, 1961, or to make a grant to them equivalent to the tax paid on the oil which they use. This would cost about £450,000 a year, compared with the coal subsidy of £750,000. Instead of the price of coal rising the price of oil would fall. The grant could be paid by legislation in Northern Ireland: the administrative difficulties would not be insuperable.

104. There is force in the argument that the tax on fuel oil has particular disadvantages for Northern Ireland, since it discourages conversion to oil, which appears to be the more economic fuel for the region generally. There would, however, be serious objections to any system of grants in refund of tax. Northern Ireland is part of the fiscal area of the United Kingdom, and such an arrangement would create a geographical anomaly in the fiscal system, even if the refund were disguised as a grant. More specifically, it could not be argued that there is a significant difference between the price of fuel oil, delivered in Northern Ireland and that in Great Britain, as there is in the case of coal. Industrialists in Great Britain would therefore find it difficult to understand why firms in Northern Ireland should be exempted from the effects of the tax.

105. An alternative method would be to include oil in the existing scheme of subsidy (which at present applies to coal and electricity and gas made from coal). The scheme would then become a general fuel subsidy, percentage grants being paid on the manufacturer's total fuel bill irrespective of the type of fuel or source of power. It is estimated that such an extension would cost up to £350,000 a year, additional to the £750,000 paid at present on the coal scheme. This proposal would be the simplest method of removing the disincentive to the use of oil in the present subsidy. The objections to a grant in refund of tax would not apply with the same force to a scheme of this kind. They would not, however, be entirely removed. The industrialist in Northern Ireland might still be regarded by his competitors in Great Britain as enjoying a refund of three-quarters of the tax on fuel oil, since the arguments based on price, which can be used to justify the coal subsidy, do not apply.

106. We have noted the disadvantages which the coal subsidy entails. It encourages the continued use of coal in industries for which oil would be a more suitable fuel. Some members of the Working Party consider that its economic disadvantages are such that its continuance cannot be justified. The Northern Ireland members, however, consider that unless some alternative scheme of general application can be devised, there would be no justification in raising industrial costs at the present time by the removal of this scheme. In the absence of any more general scheme of assistance they would prefer to improve the coal subsidy scheme by making it cover all industrial fuels.

### **De-rating**

107. The comparative advantage enjoyed by firms in Northern Ireland from de-rating is, as we have seen, only in process of emerging as re-rating proceeds in Great Britain. It is therefore especially desirable to assess its usefulness in promoting employment and to reach a decision as to its future before any greater margin of difference between Northern Ireland and Great Britain becomes established and expectations of the continuation of this difference are created. We have noted that its incidence is erratic. For a given rateable value, the concession is equivalent to an annual sum saved by the firm and is enjoyed irrespective of its output. Profits are thus higher (or losses less) than if rates had to be paid in full, and to this extent the enterprise is more profitable and therefore in a better position to expand and, other things being equal, more likely to do so. It is particularly beneficial to enterprises with extensive fixed assets. It has little relation to the current employment afforded and its effect on the demand for labour is indirect. The provision must, however, have considerable psychological value, especially for new enterprises; it may help increasingly, as the burden of rates on industry in Great Britain increases, to make Northern Ireland a relatively more attractive place for starting new enterprises or for major extensions. It may be an inducement to certain types of growth industries which, while not providing any significant employment themselves, may stimulate the development of other industries which are comparatively labour-intensive. Assistance directly related to actual employment would no doubt be a more effective stimulus to labour-intensive industries provided the inducement were sufficiently high to assure over a period of years a satisfactory margin of profit on the operation as a whole. The merits and limitations of such a scheme are considered in the following paragraphs.

### **Employment Subsidy**

#### *General*

108. We come now to the main proposal put forward by the Government of Northern Ireland. This is for a grant of 10s. per week (equivalent to about 4 per cent. of the average weekly wages paid to adult employees in manufacturing industry) in respect of all employees in firms qualifying for aid under the Capital Grants to Industry Acts, *i.e.*, to productive industry. The number of workers affected would be approximately 215,000 out of an insured population of 480,000. The cost would be about £5.6 million a year. It would therefore increase the annual amount of aid to industry in Northern Ireland by about half (*cf.* paragraph 52). It would go to industry generally, and would not be conditional upon expansion

or conversion: its effect upon employment could not therefore be measured. If no additional funds were available, and aid of this kind had to be given, for example, from funds saved by the discontinuance of de-rating and the coal subsidy, the total amount available would be about £2.25 million—enough to provide a grant of approximately 4s. per week.

109. The proposal has been based on two main arguments. First, it is recognised that industry in Northern Ireland needs to lower its costs in order to become more competitive. The element in its costs which appears to offer the most suitable medium for a reduction is the cost of labour in relation to output. Since it is reasonably certain that, having regard to the trend towards parity with Great Britain, wage rates will not be fixed at a level which would achieve this result, the only alternative would be to reduce the cost of labour to the employer by a subsidy of this kind. Second, for many years to come, a great part of industrial activity in Northern Ireland would be in the hard-pressed staple industries; and it is regarded as essential to maintain employment in these industries as well as to promote it in new ones. A general subsidy of this kind would protect the level of employment in existing industries while the policy of attracting new industries was gradually reducing the existing level of unemployment. These arguments would be pressed even more strongly by the Northern Ireland members if the coal subsidy or de-rating were to be tapered off or abandoned.

#### *Economic Considerations*

110. If it is assumed that neither Government is prepared to consider relying on migration to solve the problem of unemployment in Northern Ireland, so that labour there is likely to remain relatively plentiful, there is a case on economic grounds for an employment subsidy. There are two reasons why labour rather than capital should be subsidised. The first is simply that it is labour which is plentiful and whose use is to be encouraged, so that a direct stimulus to employment constitutes a more potent instrument of policy than other subsidies. The second reason is that labour is largely a prime cost and it is prime costs which need to be reduced if existing firms are to be able to sell more and so expand their production and employment. Thus the case for subsidising labour rests upon the fact that labour is over-priced, in contrast to capital, because its relative plenty as compared with Great Britain is not fully reflected in lower wage costs.

111. The logic of the argument suggests that since it is *increases* in employment which are desired, while the standard of earnings is to be maintained, it is *increases* which should be subsidised. Hence the idea arises of an incremental employment subsidy. This might be given for a limited period; it might be based initially on the number of new jobs which a firm expected to create and subsequently on the number actually created. The essential point is that a subsidy which is directly related to the object it is supposed to achieve should be much more effective, pound for pound, than one which works indirectly.

#### *Objections to a General Employment Subsidy*

112. There are a number of objections to a general employment subsidy, quite apart from its greater cost in relation to results than one given only



for additional employment. First, there is the danger that it might be partially frustrated by demands for higher earnings. We are not altogether agreed as to the likelihood of this. As we have pointed out, general wage settlements are closely related to those in Great Britain, so that there would probably be no effect on basic wage rates. The existence of the subsidy might lead, however, to demands for bonuses or other payments above basic rates. This would reduce its effectiveness. Secondly, any such subsidy would lead to strong protests from firms in Great Britain which produce competing goods: we think it almost certain that there would be such protests from the rest of the British shipbuilding industry. Thirdly, it would in all probability evoke claims for similar concessions to other less prosperous regions of the United Kingdom and perhaps to less prosperous industries also.

113. The principle of special treatment for Northern Ireland is well established, and this might lessen the force of the second and third objections. Claims for higher earnings might be resisted on the grounds that they would stultify the concession if they were granted. There is, however, a more serious objection than any of these. Once a concession of this kind had been given, the structure of industry in Northern Ireland would adapt itself to it; experience shows how difficult it is to take away a prop to which industry has become accustomed. The more successful a policy was in reducing unemployment in the declining industries the less attractive Northern Ireland would be to new firms who are at present attracted by the availability of labour. The immediate problem of unemployment might be solved or alleviated: but, from the point of view of Northern Ireland's long-term prospects, there is obviously a great difference between solving the unemployment problem through the establishment of new growth industries able to compete in overseas markets and solving it through subsidies to industries which, for one reason or another, are in chronic difficulties or have little hope of growth. In the former case, there is a good prospect that the demand for help will diminish; in the latter, it is only too likely that it would grow. A stand would eventually have to be made against an increase in subsidy, but it would be better not to create a situation which required it.

114. We have pointed out (in paragraph 17) that if earnings were lower in Northern Ireland than in Great Britain this would tend to increase the demand for labour in Northern Ireland. It could therefore be argued that it would be in the interests of the Northern Irish labour force as a whole if wages lagged somewhat behind those in Great Britain, and that those who are in employment at present benefit at the expense of those who are unemployed. An employment subsidy would (in so far as it was not frustrated by increased earnings) reduce the cost of labour in the same way as a reduction in earnings and is therefore equivalent at least in its immediate effects. The essential difference, however, is that, since a general employment subsidy would tend to perpetuate the existing industrial structure, pressures are likely to be exerted in the course of time to increase the subsidy as the difficulties of the declining industries increase. On the other hand, if there were a wage differential instead of a subsidy, the demand of new industries for labour as they expanded might exert pressure towards eliminating it. The relative level of earnings in Northern

Irish industry would thus be restored, and perhaps brought closer to that in Great Britain without dependence on a subsidy.

### *A Subsidy for Increases in Employment*

115. In view of the economic arguments and of the difficulties which a general employment subsidy would raise we have considered whether aid of this kind might be given for increases in employment. There might be a subsidy lasting five years in respect of each extra worker employed.<sup>(1)</sup> A scheme of this kind would have certain advantages compared with a general labour subsidy. It would be cheaper, *i.e.*, more effective for a given sum. It would be temporary, in that no firm which did not continue to expand would continue to receive the subsidy for more than five years after expansion had ceased, and the scheme would therefore be less likely to arouse demands for similar treatment from competing firms in Great Britain. Nothing would be paid to firms which did not increase employment. There would be less risk that some of the subsidy would be lost in increased earnings, since not all firms would be receiving it. Aid would not be confined to clearly definable new enterprises or extensions, so that the scheme for an incremental employment subsidy would encourage many small increases in employment just as much as a few large increases. The scheme would not help declining firms, but this is hardly a drawback from the economic point of view, since such help is not an end in itself. The proper aim is to increase employment and to promote growth. Growth, however, demands change. By confining aid to firms with prospects of growth the scheme would assist that adaptation of the structure of industry in Northern Ireland which alone can make it viable in the long run.

116. In considering the difficulties and objections to which a scheme of this type might be open it is necessary to distinguish between its application to two different kinds of project:

- (i) to minor increases in employment which are not large or certain enough to qualify for aid under the Industries Development legislation,
- (ii) to new industries and substantial expansions of existing industries at present covered by that legislation.

117. Aid given in the first type of case would be difficult to administer fairly and open to serious abuse. The following are illustrations of the difficulties which might arise:

- (a) Whatever base period were chosen it would never be fair to all firms and it might very well be distinctly unfair to firms competing in the same trade.

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<sup>(1)</sup> There might be, in theory, a number of different kinds of scheme. Basically, a firm would receive a subsidy for five years in respect of the increase of the number employed above that in a given year. If the scheme were introduced in year  $x$ , a firm employing 100 men in that year, and increasing that number to 110 in year  $x + 1$ , would receive a subsidy from year  $x + 1$  to year  $x + 5$  inclusive for the extra 10 men. If the number increased to 120 in year  $x + 2$  it would receive a further subsidy, from year  $x + 2$  to year  $x + 6$  for the second increase. If the labour force fell before the end of the five years, the subsidy would be paid either for whatever increase remained over the figure employed in the year before the increase, or for the average employed since that year, compared with the number employed in it. The base figure, with which employment in subsequent years would be compared, might be either the number employed in year  $x$  or the average over a number of years preceding year  $x$ . The scheme might apply to increases which had occurred before the year in which it was introduced (*i.e.*, increases in years as far back as  $x - 5$ ).

- (b) Many firms put out work on commission, e.g., hemstitching and clothing manufacture. There would be a strong inducement for this work to be brought in by the firm which normally placed it out, in order to get the benefit of the subsidy.
- (c) Amalgamations are constantly taking place between different firms. It would be extremely difficult to determine what was additional employment in such circumstances and the aid might be used, in effect, to subsidise take-over bids.

118. In cases falling under the second head, where the increase in employment is relatively easily identified, the difficulties of administration would not be serious. The Ministry of Commerce already has powers to give a subsidy of this kind for a defined period under the Industries Development Acts to new firms and to major extensions, but has not so far encountered much demand for it. The newcomer appears to prefer initial capital assistance, especially when this takes the form of a factory ready for occupation. From the Ministry's point of view there would be two major disadvantages in any suggestion that the present arrangements should be replaced by a subsidy related to additional employment. First, the great advantage of these is that they are flexible: the Ministry has discretion to vary the amount of aid at will and to take into account whatever factors seem appropriate. An incremental employment subsidy would have to be announced as such and widely publicised in order to make it effective. Terms might have to be specified and the Ministry might thereby lose much of its power to discriminate. Secondly, an employment subsidy at the rate of 10s. per week for a period of five years would be only a small part of the total amount of help which a new enterprise may receive at present. In order to make it attractive the subsidy would either have to be continued for a long time, in which case it would be open to some of the same objections as have been raised by some members of the Working Party against the general employment subsidy; or, if it were to run for a few years only it would have to be increased to a rate of several pounds a week. Assistance at such a level, together with the widespread publicity which would be necessary, would tend to attract less desirable types of firm which would invest little but would plan to operate for only so long as they received the labour subsidy.

119. These objections are sufficiently strong to lead the majority of the Working Party to conclude that it would not, in general, be practicable to substitute a subsidy based on increases in employment for the present system of capital assistance. Some of us, however, consider that the economic arguments for the proposal outweigh the objections which have been advanced and the possible administrative difficulties which might arise. All of us recognise that the economic arguments have some weight. The Government of Northern Ireland already pays considerable regard to the prospect of direct increases in employment when determining the aid to be given to new industrial developments. We consider that in offering assistance to new industrial development the Government of Northern Ireland should in future test the effectiveness of an employment subsidy by using it in appropriate cases as an alternative in whole or part to assistance towards a capital expenditure. This could be done within the framework of existing powers and arrangements.

120. The Northern Ireland representatives argue, however, that no such scheme, whether in substitution for, or as an addition to existing aid, is likely to increase very significantly the number of jobs which can be created through the attraction of new firms and the expansion of existing industry. What is needed, in their view, is a general subsidy to help the economy of the region at its weakest points, and thus to prevent an over-rapid contraction of employment in existing industry, while new industry is built up. They feel, therefore, that no such incremental scheme can be a substitute for the general scheme proposed by the Government of Northern Ireland.

#### *Conclusions on Employment Subsidies*

121. We have been unable to reach an agreed conclusion on the proposal of the Northern Ireland representatives for an employment subsidy. Other members of the Working Party consider the objections to a general subsidy to be too strong, while the Northern Ireland representatives do not consider an incremental subsidy to be an acceptable alternative. In view of the importance of this proposal we discuss the implications of the difference of view in the Conclusions of our Report.

#### **Annual Grants against Tax Liability**

122. The Northern Ireland representatives have pointed out that, before the last war, grants were made in recoupment of the income tax payable by new industries which established themselves in special areas: these extended over the first few years of a firm's operations. It is suggested that some firms would prefer such grants as an alternative to capital assistance, if they could be made available for at least seven years, and if they were not regarded as taxable receipts. The amount of the grant would be not more than twice the amount of capital grants for which a firm would otherwise qualify. Essentially the proposal would be a challenge to firms. If they considered that they could establish themselves quickly in Northern Ireland and earn profits they would obtain more help under this arrangement than from capital grants on the scale now offered. If they were unsuccessful they would naturally lose by opting for grants in recoupment of taxation, since the amount of the grant would depend on the amount of profits which they made. This form of grant would, in substance, be a "tax holiday" (with an upper limit) of the kind granted by a number of countries to incoming industries, though in form it would be a grant by the Government of Northern Ireland. In the view of the Northern Ireland representatives it would be a useful addition to the existing range of inducements, in arousing interest in the possibilities of industrial development in the region.

123. The provision of grants against tax would be a matter for legislation in Northern Ireland. Since the grant would, under existing practice, be a taxable receipt its value would be greatly diminished and it is not considered that the scheme would be worth instituting unless grants could be made non-taxable. This would require legislation by the United Kingdom Parliament but applying only to Northern Ireland.

124. Some members of the Working Party point out that the legislation necessary to exempt the grants from tax would create a very striking

difference in fiscal treatment between Northern Ireland and the rest of the United Kingdom of which it forms a part.<sup>(1)</sup> Further, it would involve a breach of the principle on which financial relations between the two countries are based, that there should be parity of standards of taxation in each country. In these respects it would resemble the proposal for tax relief on capital grants (cf. paragraph 88), though the latter would increase the help given to firms, while the tax holiday would be an alternative form of such help. Others, while recognising this, argue that the principle of discriminatory aid to industry in Northern Ireland is well established, though, admittedly, it has not so far been given under the fiscal legislation of the United Kingdom.

125. The administration of such a scheme would be the responsibility of the Government of Northern Ireland. It has been suggested that it might attract firms which would invest little in the region and would stay only for as long as they enjoyed the tax holiday; the Northern Ireland representatives emphasise that the power to pay the grant would be at their discretion and consider, therefore, that it would be possible to safeguard against this danger. The Board of Inland Revenue has pointed out that there would be difficulties of administration and serious risks of abuse. If firms in Great Britain established branches in Northern Ireland, or existing firms in Northern Ireland were to expand their activities, it might be difficult to isolate that part of their activities which should be eligible for the concessions. Further, firms in Great Britain might set up subsidiaries in Northern Ireland and channel their profits into them in order to obtain the benefit of the concession. If it were possible to devise arrangements to prevent abuse these might, in their view, require firms to conform to detailed and possibly complicated rules which they might find unacceptable. The Northern Ireland representatives recognise the difficulties but consider that the scheme might be so useful in attracting new industries to the region that they ought not to be considered as overriding.

126. It can be argued that there is no need to introduce this fiscal differentiation. It is always possible to refund to a firm any given amount of tax. Thus, if a firm pays £100 in tax it can be given additional aid in one form or another sufficient to provide the £100, after the tax on the additional aid has been deducted. The formulation of this possibility shows, however, that it does not actually free the firm from the payment of tax. The notion of a "tax holiday" has undeniable attractions, even though these may be no more than psychological, and even though its relative effectiveness in attracting new firms to Northern Ireland, compared with other inducements, cannot be established.

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(1) Under arrangements with overseas countries for avoiding double taxation, tax paid overseas may be allowed as a credit £ for £ against United Kingdom tax on the same profits, and accordingly relief by way of a "tax holiday" granted by the overseas country simply increases the United Kingdom tax bill by the amount of the relief. The Finance Act, 1961, allows tax relieved abroad to be treated as payable, so as to reduce the United Kingdom tax, in cases where a Double Taxation Agreement between the United Kingdom and the overseas country so provides. This is a provision for arrangements between the United Kingdom and countries outside its fiscal boundaries by international agreements; it would not in itself constitute sufficient justification for recommending the introduction of discriminatory measures within the fiscal area of the United Kingdom.

127. We have been unable to reach agreement on this matter. Some members of the Working Party consider the psychological advantages sufficient to justify the introduction of such tax-free grants in repayment of tax. Others of us believe that the objections on grounds of fiscal policy, the administrative difficulties and complexities and the possibilities of abuse are too strong.

## VII.—OTHER GENERAL MEASURES

128. In the preceding section we have discussed various forms in which financial assistance could be given to help the development of the economy of Northern Ireland. The analysis in Section V (cf. paragraphs 67-80) should have made it clear, however, that financial assistance alone will be inadequate to deal with the problems of Northern Ireland. In this section we discuss a number of developments which, it has been suggested, should be fostered as a contribution towards achieving this end. Some of them might involve further financial help.

### **Advice to Industry**

129. It is clearly desirable that Northern Ireland firms should be familiar with the latest advances in research, in production and management techniques, and in marketing; and that for this purpose they should be able and willing to call on competent advisory services. It has been suggested to us that there is room for considerable improvement in both the facilities available and the interest shown in them by individual managements.

130. Industry in Northern Ireland necessarily relies to a large extent on research facilities provided for United Kingdom industry as a whole. It has access to the facilities provided throughout the United Kingdom by the Department of Scientific and Industrial Research (D.S.I.R.) and a number of firms participate in their respective co-operative research associations. In addition, and to augment the means of consultation on scientific questions on the spot, the Ministry of Commerce, Northern Ireland, provides a technical information and advisory service for industry, supported by laboratory facilities and staff in Belfast. Information and advice on scientific questions are given free, and charges are made on a similar basis to the D.S.I.R. for laboratory work carried out on behalf of particular firms. Recently, the scientific staff has been strengthened and a programme of visits to industry has been undertaken with a view to bringing the services available more widely to the notice of managements and suggesting that there may be ways in which the services can contribute to efficiency or to the manufacture of improved products. The Ministry of Agriculture, Northern Ireland, has eight research divisions, with a staff of over 200, dealing with agricultural research in all its aspects and giving assistance also in horticulture and afforestation.

131. We have considered whether any further stimulus is needed to the interest of industry in the improvement of productivity and in the use of advisory services intended to increase efficiency. We have noted that there is no equivalent in Northern Ireland to the local productivity committees which operate in Great Britain under the aegis of the British Productivity

Council and which provide useful clearing houses for information and for the further development of group activities. We agree with the view that the initiative for developing such an organisation must arise from the desire of both sides of industry to participate. The Government of Northern Ireland has made it clear that it is prepared in principle to give financial support to such a body if appropriate representation can be secured from both sides of industry. (There have, up to the present, been difficulties over trade union representation.)

132. We are satisfied that advice on technical and administrative matters of the kind provided by industrial consultants is readily available to Northern Ireland firms seeking it, but less satisfied that adequate use is made of it. Several commercial firms of consultants are in operation, including well-known British organisations with offices in Belfast, and NUMAS Ltd., which was founded by the National Union of British Manufacturers, also operates there. It seems possible, on the other hand, that firms with limited resources are sometimes deterred from seeking advice by fears of high costs of consultancy services and of the disturbance which consultants might cause in their organisations. Relatively little use appears to have been made so far of the facilities offered by NUMAS, the cost of which is more modest.

133. Some financial incentive might be provided by the Government to stimulate interest in consultancy services. We recommend that a small scheme should be considered under which, for a limited period of, say, five years, grants could be paid towards expenditure on the services of recognised consultants. Such a scheme could be directed primarily, though not exclusively, to the smaller firm with limited resources, and grants could be payable as a proportion of expenditure subject to an upper limit.

134. There remains the question of publicity. There is some evidence of growing interest in discussion and exchanges of information on productivity at management level. This is partly due, no doubt, to the influence of executives who have come to Northern Ireland with the new industries, but we think that a greater effort might usefully be made to publicise the consultants' services available to industry. Such publicity might, for example, be undertaken in connexion with the administration of re-equipment grants and with any scheme for providing financial incentives such as we have referred to in the preceding paragraph.

### **Financial Facilities**

135. We have observed that most of the financial institutions of Northern Ireland are linked with or form part of those of the United Kingdom as a whole (though the banking system extends also over Ireland as a whole), and that there is neither a local money market nor local merchant banks or issuing houses. Local financial facilities are no more highly developed, in fact, than in other parts of the United Kingdom. We find nothing unusual in this situation. The Industrial Finance Company (N.I.) exists to provide long-term finance for new and established enterprises either through share or loan capital (in practice, primarily the latter); it has operated on a relatively small scale. We have already observed that the Northern Ireland banks use a greater proportion of their assets to make advances to customers: they have a tradition, which is absent in England and Wales, of making long-

term advances for industrial purposes. We do not consider (cf. paragraph 30) that there is force in the argument that an unduly high proportion of small savings is drawn out of Northern Ireland to finance the expenditure of the United Kingdom Government.

136. We have been assured, in response to enquiries, that any well-conducted business in Northern Ireland would find it no harder to obtain finance than comparable businesses in Great Britain, and that there are no special difficulties, peculiar to Northern Ireland, in obtaining funds for the development of industry. The Ministry of Commerce has no evidence of reasonable developments being held up for lack of capital. It has itself power to make loans in cases where a projected development is likely to lead to substantial additional employment. We do not consider, therefore, that any special measures are needed to develop new financial facilities.

### **Training and the Labour Force**

137. If Northern Ireland is materially to reduce her present level of unemployment one of the prime necessities is that new industrial developments should be able to find, or to train without undue difficulty, a labour force with the skills required. It seems clear, from our enquiries, that a sufficiently vigorous policy aimed at providing the kind of labour which employers will want (in so far as it is possible to assess this in advance) must be one of the most important parts of any policy to develop the economy of the region. The Ministry of Labour and National Insurance, Northern Ireland, estimates that in occupations to which it is customary to serve an apprenticeship there are some 4,000 unemployed men who could be termed craftsmen. There is, therefore, a balance of nearly 21,000 men—mainly semi-skilled industrial workers, clerical workers, farm workers, general labourers. Some of these would not be suitable subjects for training owing to age and other disabilities. Some, no doubt, might find unskilled work. The remainder would need to be absorbed into industry, and for this they would need some form of training. A number of the craftsmen, indeed (e.g., riveters and caulkers), possess skills which are no longer in demand; and some, whose experience has been in a narrow field, need courses to widen their knowledge. Quite apart from the problem of training unemployed workers is that of training enough skilled workers such as toolroom fitters.

138. There are two ways in which the Ministry of Labour and National Insurance plays a part in training. It provides courses in its own training centres or by arrangement with local education authorities in technical schools, and it gives training grants to employees training workers on their own premises. We refer to these in succession.

#### *Training by the Government*

139. There are two main factors governing the amount of training which the Ministry of Labour and National Insurance can itself undertake. Firstly, apart from the instruction given in Government Training Centres to unemployed craftsmen either to improve or to add to their skill, it is the normal policy of the Ministry to set up classes only when there is a reasonable prospect of employment in the training occupation. It appears that engineering is the principal field which, at present, offers opportunities for advance training and courses at Government Training Centres are principally devoted



to engineering trades. Normally only unemployed persons aged 18 and over are admitted to the centres: they have an output of about 500 a year. Secondly, the training given in these courses is limited. In most instances the duration of the training courses at the centres has been fixed on the basis that the trainee will receive continued training with an employer, who is paid a training fee by the Ministry (cf. paragraph 143). The approach of the Ministry of Labour in Great Britain is different. The courses at the centres are longer and more specialised and, on completion of the course, the trainee is accepted by both sides of industry as a worker possessing the basic elements of his trade, who can eventually become a qualified tradesman. We understand, however, that the system in operation in Northern Ireland has an appeal to new industrialists, since they can exercise more direction in the final training of the worker to their own methods and techniques. We would not, therefore, propose any change. The output of these courses seems adequate to meet demands though the range of training needs to be kept under review.

140. The Government of Northern Ireland has, however, no facilities for training key workers. The possibility of training suitable employed or unemployed craftsmen to toolroom standard in Government Training Centres in Great Britain, by arrangement with the Ministry of Labour, or in Northern Ireland, should be explored. Arrangements made between the two Ministries should, if necessary, provide for financial adjustments in respect of training in Great Britain.

141. It appears that there are considerable numbers of women, especially married women, who are not registered as unemployed but who are willing to accept employment if a suitable opportunity offers. An analysis of the employees joining eight new firms recently established in Northern Ireland showed that of the women employed no less than 19 per cent. of those who joined these firms had been at home or self-employed previous to taking up employment. We have considered whether any scheme of training in domestic work would be of help in dealing with the female unemployment that exists. The Ministry of Labour and National Insurance has for some years sponsored the running by Local Education Authorities of two training schools for hotel and institutional employment but it has had difficulty in keeping the classes up to strength. There are, moreover, few applications for ordinary domestic employment. Unless greater evidence were forthcoming regarding the willingness of women to undergo training for domestic work we doubt whether the introduction of a special training scheme would be justified.

#### *Training by Firms*

142. There are two problems here: first, the specialised skills which are sometimes demanded; second, the shortage of key workers, such as toolroom fitters.

143. Most of the new firms are engaged either in engineering or in highly specialised production such as that of synthetics. In the latter category are firms like Courtaulds (Rayon), Chemstrand (Acrilan), Du Pont (Neoprene) and I.C.I. (Terylene). The Ministry cannot train in its centres general production workers for such firms, so that any assistance which can be given to this type of firm must be by way of grant towards training workers on

the firm's premises. The expansion of the engineering industry in Northern Ireland in recent years has made severe demands on the supply of the more highly skilled engineering workers such as toolmakers, toolroom fitters and maintenance fitters, and as these classes of workers are not normally to be found amongst the unemployed new and expanding firms have to bring them into Northern Ireland or recruit them from other employers. Financial assistance towards training on employers' premises is in general limited to the new industrialist and is designed to help him to build up an initial labour force. Normally such assistance is available only for training given to unemployed persons aged 18 years and over.

144. The Ministry of Labour and National Insurance has been considering methods of helping firms to improve these facilities. The method proposed to meet the first difficulty is through the scheme, recently announced, for financial assistance to the training of additional apprentices in the engineering industry. These would be trained by selected firms and would be additional to those whom they themselves would need. It is hoped that boys trained in this way would graduate to the more highly-skilled occupations, but there is a general need to improve the opportunities for apprenticeship in the region. There is a vicious circle here which it is not easy to break. The insufficiency of openings in industry means that there are fewer apprenticeships (only 14 per cent. of school-leavers enter them, compared with 38 per cent. in Great Britain). This, in turn, leads to a lack of skilled labour for expansion and a relatively high proportion of unskilled workers among the unemployed. One of the objects of the new scheme is to have apprentices at various stages of their training, *e.g.*, in their second year or third year, readily available to the new industrialists. They should be available also to employers who have discharged their obligations in the matter of apprentice training but are nevertheless short of essential skilled workers.

145. The shortage of highly-skilled men is a general phenomenon, not peculiar to Northern Ireland, though the difficulties which arise from this in Northern Ireland may be more acute than in Great Britain. It might be possible to persuade firms with adequate toolroom training facilities to move good-type fitters in their employment from production to toolroom training. It would, however, be necessary for the Ministry to meet the cost of this training. This suggestion has not been explored in detail but it is believed that such training could take from 12 months to 24 months. While the cost of this training would be high in relation to the numbers trained, a substantial nucleus of highly-skilled engineering workers would be a decided attraction to new and expanding firms and it is around these craftsmen that a force of semi-skilled workers can be built. Workers trained in this way should not, however, be earmarked solely for employment in new industries but rather they should be regarded as forming a common pool from which both new firms and existing firms (which have been losing to new industry these types of workers, trained at considerable expense) could draw.

#### *Trade Union Co-operation in Training Schemes*

146. Training can only be undertaken with the agreement and co-operation of both sides of industry. We can understand that a trade union

might be justifiably reluctant to agree to the training of additional workers if there has been substantial and persistent unemployment in the trade in question. But where, over a considerable period, demand for a type of worker has generally exceeded supply, then, in the interests of other workers who are unemployed, we feel that the trade union concerned should recognise this by affording some relaxation in the admission of additional workers into the trade. From the information we have received it would appear that the bricklayers' trade union—the Amalgamated Union of Building Trade Workers—is a case in point. We have referred to the shortage of bricklayers in discussing the possibility of increasing the programme of house-building (cf. paragraph 94). The Northern Ireland officials of the Amalgamated Union of Building Trade Workers are opposed to the training of adult workers as bricklayers though they would not oppose an increase in the number of apprentices. Nor is this reaction a purely local one, for the National Federation of Building Trade Operatives is, we were told, opposed as a matter of policy to the training of able-bodied men. It argues that, in past years, there has been no planned building programme and consequently no stable volume of work, with resulting periods of unemployment (other than purely seasonal) for building trade workers generally and for bricklayers in particular. Expansion of house building could only be of limited extent without some expansion in the building labour force, particularly amongst the bricklayers. If more bricklayers were available it would enable other building trade craftsmen, e.g., joiners and painters (of whom a considerable number have lost their jobs in the past 12 months in the shipyards) to be put to work. On the other hand the Amalgamated Engineering Union has realised that if new industries are to be attracted and employment provided in this way for its members, a properly balanced labour force must be built up. It has, therefore, agreed to the training of unskilled workers to semi-skilled status and to the admission of additional apprentices into the crafts they control. We recommend the most vigorous representations to those trade unions which are reluctant to agree to adequate training schemes. They will be more effective if as much as possible can be done to achieve a reasonably stable level of activity in the building trade.

### **Air Freight**

147. There is little air freight to and from Northern Ireland at present, though the volume more than doubled between 1957-58 and 1961-62. With the exception of freight carried on charter flights and on the night mail service between Belfast and Manchester it is carried entirely by passenger aircraft. The great majority of scheduled services are flown by B.E.A. The further development of air freight, if it led to cheaper services, would be of considerable help to the development of industry in Northern Ireland. It would probably not carry more than a very small proportion of all freight but it would, in our view, be of special value to the kind of new industries which would be particularly suited to Northern Ireland—those producing goods with a high value (because of the labour content) in relation to bulk. In addition to its practical advantages it might have important effects in lessening any fear of remoteness from main markets and sources of supply in Great Britain which may affect industry in

Northern Ireland. These fears may, in fact, loom larger in the minds of firms contemplating opening branches in Northern Ireland than in those of firms already settled there, but it is important that they should be dispelled.

148. There is at present a good deal of doubt as to the possibility of developing air freight between Great Britain and Northern Ireland as a specialised service, and therefore a good deal of uncertainty as to the magnitude of the difficulties to be overcome and the possibility of overcoming them. The economics of large-scale freight services, operated with specialised aircraft over short hauls are uncertain: most freight on European routes is carried by passenger aircraft, and the experience provided does not provide information adequate for estimating the prospects of services restricted to freight. Some indications can, however, be given. The present traffic carried by B.E.A. between Belfast and Manchester, for example, averages 1 ton per day each way; at the present average freight rate of 9d. per kilogramme a load of about 7 tons (59 per cent. of capacity) would have to be carried each way on each round trip for it to be possible to operate a daily Argosy service without loss. It is clear, therefore, that services would only be remunerative at lower rates with a very much expanded volume of traffic. If this made still larger aircraft practicable on this route the rates might be reduced still further. It is clear, however, that the growth of freight traffic in recent years will not provide enough to justify a specialised freight service for many years. The question is whether a reduction in rates would multiply demand at a rate sufficient to justify it sooner.

149. B.E.A. has not, in the past, been deterred from committing resources where there has been no immediate prospect of an adequate return. The development of a high-frequency freighter service to and from Northern Ireland would, however, probably necessitate an investment of several million pounds: this combined with the doubtful prospects of the venture and the higher financial obligations now laid upon the nationalised industries in the Government's White Paper (Cmd. 1337), might well deter them from going ahead with such a project, though we are informed that they would be very willing to co-operate in a detailed study of the prospects and problems.

150. It seems likely that any such air freight service would require help, at least for an initial period, either in the form of capital assistance or of a subsidy to running costs (this might necessitate legislation in the United Kingdom Parliament). Present Government policy (as set out in Cmd. 1337), does not envisage the payment of subsidies to nationalised industries for special services, though social and other obligations may be taken into account when their financial targets are determined. It is possible that any proposal for a subsidy might have to be justified before the Air Transport Licensing Board if a complaint were raised. This might be done by any other transport service if the aid were given to B.E.A., and by B.E.A. also if the aid were given to a new operator on the route.

151. We have been unable to pursue our enquiries to the point of formulating a definite recommendation: they have made it clear, indeed, that detailed study of the prospects and the difficulties is needed before

any such recommendation could be formulated. The potential value to the economy of Northern Ireland of an expanded air freight service is such that this study should be carried out.

### **Travel Facilities for Executives**

152. One of the points most frequently made to us has been that travel to and from Northern Ireland by the directing and managerial staff of firms is unduly difficult during holiday periods, and particularly in the summer months. These complaints relate especially to air travel. Senior staff may as a result feel that they lack facilities for rapid and assured personal communication between Great Britain and Northern Ireland. To this is added the complaint that hotel facilities in Belfast are inadequate. This kind of difficulty, whether real or imagined, can have an importance which is not easily measured in economic terms: it interposes a psychological barrier which reduces the willingness of firms to set up branches in Northern Ireland.

153. The monthly load-factor on passenger aircraft between London and Belfast varies between slightly below 60 per cent. in the autumn to 77 in July. It appears, therefore, that the problem is one of occasional peaks and particular flights, rather than of a general shortage. To provide a sufficient capacity to meet demand at the extreme peaks would, of course, lead to losses or to a considerable increase in fares. On the other hand, this does not take account of the frustration and delay caused to individual passengers who cannot obtain seats on the flights they want, even though these flights have vacant seats when they take off. This situation is caused by passengers who book seats on several different flights and cancel all but one of the reservations at the last moment. In order to remedy this situation B.E.A. has applied to the Air Transport Licensing Board for permission to introduce booking deposits, cancellation fees and "no show" charges on domestic routes. If this is approved it should seriously discourage the practice of multiple bookings. In addition B.E.A. plans to increase capacity on their London-Belfast route by more than 20 per cent. in 1962. Air communication between Northern Ireland and Great Britain is vital to Northern Ireland's industrial attractiveness, and we think it important that the adequacy of services should be kept under close survey by the Ministry of Aviation. So far as hotels are concerned the facilities in Belfast probably do not compare unfavourably with those in cities of comparable size. Nevertheless, if it is desired to project a favourable "image" of Northern Ireland into the minds of those who may have to take decisions whether to establish firms there or not, something better may be needed than the market would justify. The new scheme for hotel improvements which is being introduced by the Government of Northern Ireland (cf. paragraph 174) should lead to the provision of better hotel accommodation.

## **VIII.—INDIVIDUAL INDUSTRIES**

154. In this section we discuss the possibilities of further help (over and above that given by way of the general measures discussed in

Section VI) to those staple industries of the region in which employment has been declining or may decline: linen, shipbuilding, aircraft construction and agriculture. We refer also to the possibility of developing tourism.

### **Linen**

155. It has been suggested that there should be a full-scale enquiry into the design, production and marketing of linen, and into the possibility of reorganising the linen section of the textile industry and expanding the development in the use of man-made fibres, but we do not consider that such an enquiry would reveal any new factor. We have noted (cf. paragraph 19) that the industry has been active in adapting itself to changes in demand. The factors which have affected its development will no doubt continue to operate, and we cannot foresee any new major factor which is likely to create large new markets. Markets are widespread and bulk business not readily achieved, owing to the relatively low consumption *per caput* of linen. It is possible that the rationalisation and integration which have already taken place have not reached finality.

156. For a long time the industry has considered that the best hope of maintaining the demand for linen lies in conducting a co-operative publicity campaign designed to maintain the prestige of linen in comparison with the newer fabrics. It has found itself unable to provide sufficient money from within the industry to mount a campaign which could compare with those of other textile industries. Since 1950 the Government of Northern Ireland has therefore given substantial sums towards the publicity campaign. In recent years the help has been of the order of £100,000 a year towards a campaign costing about £250,000 a year. In our view there is a good case for a continuation of support for co-operative publicity.

### **Shipbuilding**

157. We have noted (cf. paragraph 20) that the outlook for the shipbuilding industry as a whole is likely to be difficult: the available capacity in the world may for some time be as much as twice as large as the likely demand for new ships. The problems facing the industry as a whole fall outside our own terms of reference, as do any general questions relating to the productivity of British yards.

158. The firm of Harland and Wolff is the most important single industrial enterprise in Northern Ireland and any decline in its prosperity and the employment which it can offer may have serious effects on the economy of the region. We have already referred to its position and prospects in the second Section of our report. It is obviously very important that the firm should be able to maintain and, if possible, to improve its position in the severely competitive times ahead; it is already receiving considerable help which should enable it to do so. It is a well-established firm, which should be able to compete in the shipbuilding industry on a level footing with any other in the United Kingdom. Shipbuilding and the ancillary activities associated with it, such as marine engineering, do not at present suffer any disadvantages peculiar to Northern Ireland. The

firm already enjoys the advantages generally available to industry in Northern Ireland. It has been suggested that the pre-war Loans Guarantees legislation should be revived for Northern Ireland alone, through legislation in the Northern Ireland Parliament; this would enable ship-owners to borrow money with a Government guarantee and therefore at a favourable rate of interest, so long as the order was placed in Northern Ireland. Any such further help would be hard to justify; it would undoubtedly provoke strong protests and claims for equivalent treatment from other shipbuilding firms in the United Kingdom which are having to compete as best they can for new business in a difficult market.

### *Dry Dock*

159. A great deal has been said on the desirability of providing a new large dry dock at Belfast. The largest existing dry dock, the Thompson Dock, is capable of taking ships up to some 40,000 d.w.t; in recent years it has been occupied for an average of 31 weeks a year by an average of 24 ships. A large dry dock would make it possible for the final docking of the largest ships built by Harland and Wolff to be done locally and would enable the firm to compete for all classes of repair work as well as large reconstruction contracts. It would cost about £5 million; the alternative of enlarging the existing dock (which is to be the subject of a technical investigation initiated by the Belfast Harbour Commissioners) might not cost much less and the existing dock would be out of commission for two or three years. Construction of the dock would provide employment for 200 to 300 over a period of two or three years. The overall demand for the use of large docks will obviously be affected by the future numbers of very large ships and the ports from which they operate. It is not possible to give any precise estimate of the amount of employment; but if it were assumed that enough additional work could be attracted to keep a large dock fully used without affecting work in the Thompson Dock, it is not likely that the direct employment would be more than a few hundred, with possibly some ancillary effects elsewhere in the shipyard. It would require a very large outlay of money with a relatively small return in terms of employment.

160. Generally speaking (and leaving aside questions of prestige), the provision of such a dock appears to be a desirable rather than an essential part of the capital equipment which might be available for shipbuilding and ship-repairing in Northern Ireland. Dry docks are not normally very profitable investments: expenditure on them is unlikely to be justified unless they bring about an increase in business for the firms using them.

161. It is for these reasons, no doubt, that no private interests are prepared to make any significant contribution to the capital cost. Virtually the whole of it would therefore have to be provided by the Government of Northern Ireland, and ultimately by the United Kingdom Exchequer. Since Harland and Wolff is the only shipbuilding firm on the Lagan, and the cost cannot therefore be spread among several firms, as on the Clyde, it might be justifiable for the Government to contribute a larger share of the cost than elsewhere. It has to be borne in mind, however, that aid given elsewhere has been by loan, not by grant. It would hardly be justifiable for such a dock to be built entirely at Government expense.

## **Aircraft Construction**

162. We have referred in paragraph 21 to the difficulties of the aircraft construction firm of Short Brothers and Harland. Its prospects depend partly on the future of the British aircraft industry as a whole. The relations of that industry with the Government are peculiarly close, since it receives a great deal of Government support through defence contracts, and aid towards research and development. It is Government policy to assist the development and production of transport aircraft in the hope that the industry will continue to develop its export business. Nevertheless the demand for aircraft depends ultimately on defence requirements both of the United Kingdom and of other countries, on the development of air transport and on the success with which British firms compete in world markets. Any assessment of the future prospects of the industry must be uncertain, but the present total capacity of the industry seems to be in excess of demand and some contraction in total employment is likely.

163. The position of a relatively small, independent and geographically isolated firm in this situation is not likely to be easy. The question naturally arises, therefore, how much the United Kingdom Government can and should do in order to help it. It has been represented to us that, in order to help the firm, the Government should order more Belfast freighters for the R.A.F. and continue active development of the S.C.-1 vertical take-off aircraft project which Shorts built under a Government contract. (In order to assist the firm in maintaining employment the Government of Northern Ireland has already agreed to make a loan of £5 million towards the development and production costs of the Belfast freighter.) Although these orders would be welcome if they came about naturally, we do not consider that we could reasonably recommend that they should be given to the firm unless there is a genuine requirement. We do not know at this stage whether such a requirement will materialise.

164. The United Kingdom Government will no doubt find it necessary, in these circumstances, to review its policy for the firm. We, for our part, must emphasise that our discussion of the economic prospects over the next few years assumes (as the figures in Appendix VII show) only a limited fall in the number of employed by the firm (from 6,900 to 5,000). If the fall should be greater our view of the prospects would be materially affected.

165. The firm is making great efforts to diversify its activities with assistance from the Ministry of Commerce, but is experiencing difficulty in developing new lines of production. Some of them require new premises, since the peculiar structure and layout of an aircraft factory is rarely suitable for the economical manufacture of other products. We hope that the firm will do its utmost to overcome these difficulties and to make full use of its trained manpower.

## **Agriculture**

166. We do not consider it likely that employment in agriculture will increase. Indeed, as greater efficiency is achieved in agriculture the numbers employed may well decrease. Northern Ireland suffers in its agriculture from two main disabilities: the remoteness of the bulk of its production from its main market in Great Britain; and its large number



of small non-viable farms. The trend is towards greater mechanisation, the creation of larger, viable farms by amalgamation and the better use of grassland to produce larger numbers of fatstock. Competition in agriculture is bound to increase in the next few years, and it seems advisable to concentrate on the improvement of efficiency rather than on the expansion of employment. We do not, however, expect any further decline in the numbers of paid workers employed in agriculture and forestry together.

### *Forestry*

167. About 1,750 men are employed either directly or indirectly in forestry at present. The policy of the Government of Northern Ireland is to maintain the existing planting rate of about 5,000 acres a year in State forests and thereby to increase employment to about 7,500 by the end of a 30-year period. About £6½ million has been invested in forestry so far and the annual net expenditure is now about £800,000. This rate will rise slightly over the next decade, after which it will begin to decrease. By 1985 the service should be fully self-supporting and thereafter a surplus of income over expenditure is likely to emerge. The Government of Northern Ireland does not propose any increase in the programme of planting, mainly because of the uncertainty of being able to buy a sufficient area of land of poor agricultural value. The amount of employment created in forestry in relation to expenditure does not lead us to recommend any increase in the planting programme, even if this were practicable.

### *Processing of Agricultural Products*

168. There may be some scope for increased processing of agricultural products. It is desirable that as many stages as possible of the processing of agricultural products should be completed in Northern Ireland, both in order to increase the value of products sold in Great Britain and elsewhere and in order to create the maximum employment in Northern Ireland. Much has already been done in this respect for agricultural products such as pigs, eggs, fruit, potatoes and milk. Northern Ireland could gain from the apparent opportunity for developing selling outlets in Great Britain for premium grades of pig products (bacon, sausages, etc.). More could perhaps be done in milk processing if, instead of exporting condensed milk and chocolate crumb for the manufacture of confectionery in England, more of the final product could be made in Northern Ireland, though the transport costs borne by the exporters would be greater. Cheese-making might be expanded, particularly of special types and branded packs, but milk sold for cheese-making is relatively unprofitable. Nevertheless, about one-tenth of the total milk production of Northern Ireland (*i.e.*, 11 million gallons) is already used for cheese, a far higher proportion than in Great Britain.

169. There is an increasing demand in Great Britain for "convenience foods" mainly pre-packed and ready to serve. Northern Ireland food processors will certainly wish to secure their share of this market and we understand that some firms are already interested and have started to market pre-packed foods in a small way. We think it is important that the maximum effort should be devoted to research into new forms of preparation, packaging, preservation and marketing. Some help has already

been given by the Government of Northern Ireland towards apple and fruit canning and towards the grading and packaging of both seed and ware potatoes. We are of opinion that Government assistance should wherever possible be given to encourage producers and processors in this direction because of the employment which may subsequently emerge.

170. The most important potential development, however, would be in connexion with the marketing of fat cattle. At present 130,000 head of cattle are shipped on the hoof each year; their total value is £7 million. If all of these could be slaughtered and chilled in Northern Ireland the value might rise by £2½ million and a thousand jobs in Northern Ireland might be provided. Further, Northern Ireland would retain the hides and other by-products as potential raw materials for other industries (tanneries, tripe dressing, gut cleaning, fat and tallow melting, animal food processing and fertiliser manufacture). The Government of Northern Ireland has given every encouragement to private industry to establish undertakings and some are already in operation on a modest scale. Large ones require considerable capital, technical and research facilities, much marketing experience and close contacts in Great Britain, and until recently efforts to establish one or more have been unsuccessful. We understand, however, that two larger meat undertakings are now considering setting up major processing units. Both these projects should, in due course, make a substantial impact on the marketing of meat and the processing of by-products in Northern Ireland and should provide welcome employment.

## **Tourism**

171. Tourism is estimated to be worth about £11 million a year in local trade from visitors coming to Northern Ireland. About 300,000 holiday visitors a year come from Great Britain out of a total of 450,000 people visiting Northern Ireland for all purposes. There has been a steady upward trend in this traffic since the war: this is not surprising in view of the rapid growth of tourism generally. Employment statistics do not, however, show a corresponding upward trend in the regular insured labour force in the hotel and catering industry, which is estimated to have remained at around 10,000 in the last decade. The industry is probably making more economical use of labour to-day than it was in 1950. In addition there is probably a considerable labour force (*e.g.*, self-employed) engaged directly or indirectly in the tourist industry, which is not covered by these statistics. The amount of seasonal variation cannot be accurately assessed but it is known that during the peak period in July the regular labour force is substantially augmented by the use of family workers and the engagement of temporary workers, *e.g.*, students and married women.

172. Northern Ireland depends more on its natural surroundings and scenery than on highly-developed seaside resorts. Nevertheless there is scope for further development, particularly for touring visitors, if sea and air communications can be improved. Whilst such traffic may not directly create substantial additional employment, it does benefit the economy by bringing additional income into it. Although the additional employment would be seasonal, nevertheless the development of tourism may do something to increase the prosperity of the country districts which have suffered from the reduced employment in agriculture and other rural activities.

173. A good deal obviously depends on publicity. This is the responsibility of a statutory body, the Northern Ireland Tourist Board, which receives a direct grant (£101,000 in 1961-62) from the Government of Northern Ireland. This grant is generous by the standard of grants given for tourist development in Great Britain but is small in comparison with the Government funds devoted to this purpose by the Irish Republic. Our general impression is that the tourist "image" of Northern Ireland is not so firmly implanted in the public mind as that of other tourist areas in the British Isles. We therefore consider that the Government of Northern Ireland might increase the grant to the Tourist Board in order to test the effects of a substantial expansion in publicity. We have noted that the contribution to tourist expenditure from the industry, including local authorities, is comparatively small: £4,200 towards publicity and £5,500 in registration fees which are paid direct to the Exchequer. We appreciate the difficulty (which is not peculiar to Northern Ireland) of persuading an industry, composed of such diverse units, to make substantial contributions to a common fund. Nevertheless we recommend that the Government of Northern Ireland should make some part of any increase in the Tourist Board's funds conditional on an increased contribution from the industry.

174. The standard of hotel accommodation must affect the development of tourist traffic. The Government of Northern Ireland has had the matter under consideration and had been contemplating the introduction of a scheme of assistance for which a sum of £200,000 would have been made available over a period of three years. This would have sufficed to provide grants of 25 per cent. towards improvements. It would not have provided help towards the building of new hotels. We consider that in the interests both of industrial development (cf. paragraph 153) and of the tourist trade help could justifiably be given towards the building of new hotels. Since legislation was in preparation we have already conveyed our views to the Government of Northern Ireland. We understand that the provision has now been increased to a total of £500,000 over three years, and that the purposes will include both the improvement of existing hotels and the building of new ones. Grants will cover a quarter of the cost of construction, subject to a limit of £100,000 in individual cases.

175. We have also considered whether anything might be done to improve the training facilities for hotel and catering staff. Facilities for some training are already provided locally but there might be advantage in arranging for a limited number of staff to be sent to the main centres of training in Great Britain or on the Continent. This could probably best be encouraged by the provision of training scholarships through the Northern Ireland Tourist Board and we recommend that additional funds should be granted to the Board for this purpose.

176. Other ways in which we have been advised that Northern Ireland's attraction to tourists might be enhanced are by the improvement of local amenities in tourist centres and by the provision of more adequate facilities for the transport of cars across the channel. The Government of Northern Ireland already has power to make grants to local authorities to improve amenities but we understand that, as the seaside and other tourist centres in Northern Ireland are relatively small places, even a moderate amount of capital expenditure would be a heavy burden on the rates. If our

recommendation for increased publicity for the tourist industry is accepted, the Government will no doubt consider whether, in particular cases, increased grants are justified to secure the improvement of local amenities. There is considerable complaint about the adequacy and the cost of the services for the handling of cars by sea. We have not examined this question in detail since it falls within the terms of reference of the House Committee. We have been surprised to find, however, that if, as is alleged, there is a strong demand for the transport of cars for holiday traffic, special air services have not been developed for this purpose. We recommend that the questions whether such services could be economically developed, and whether any special assistance would be necessary to encourage their initiation, should be made the subject of further examination.

## IX.—MOVEMENT OF LABOUR

177. We have noted (cf. paragraph 33) that the United Kingdom Government has never regarded the movement of workers to work elsewhere as the principal solution of problems of regional unemployment, and in the three preceding sections of our report we have been concerned with measures which might create additional employment in Northern Ireland. We have said, nevertheless, that the encouragement of migration, either to Great Britain or elsewhere, should be regarded as one of a composite mixture of measures to alleviate unemployment. It would be unrealistic to take any other view: workers have traditionally tended to move from the less prosperous to the more prosperous parts of the United Kingdom, and there is no reason to suppose that this tendency will or should cease. We have noted, moreover (cf. paragraph 71), that it seems unlikely that in the foreseeable future the opportunities of employment offering in Northern Ireland will be sufficient to absorb as high a proportion of the potential labour force as in Great Britain. In particular, there is likely for a long time to be a substantial number of unskilled men who will be unsuitable for employment in the new industries in which most of the opportunities of additional employment are likely to arise. In addition to the creation of such additional opportunities in Northern Ireland, therefore, we think it necessary that further steps should be taken to find opportunities outside the region, and to induce unemployed workers to avail themselves of them.

178. The net movement of insured workers to Great Britain is about 5,000 a year, but the gross movement is probably in the region of 13,000. An average of 3,000 persons a year return after employment in Great Britain and register as unemployed in Northern Ireland. Of those who take work in Great Britain, some 1,500 are placed in jobs by the Ministry of Labour and National Insurance, Northern Ireland; the remainder move to and from Great Britain on their own account.

179. The movement of workers from Northern Ireland might well have been greater, in view of the persistently higher rate of unemployment, but for the combined effect of a number of deterrent factors. In the first place the relatively high level of social services and unemployment benefit in Northern Ireland, as in Great Britain, alleviates the pressure which unemployment exerts. The type of labour is not that which is in specially short supply in Great Britain. As we have noted, over 80 per cent. of the 25,000

men on the unemployed register in Northern Ireland are unskilled or semi-skilled; but as there is a shortage of unskilled unemployed men only in particular localities in Great Britain the scope for the movement of unskilled workers from Northern Ireland is limited, and the jobs available to them are often considered to be unattractive, either in pay or in conditions of work. The prospects for craftsmen are better, but even here the types most required by employers (*e.g.*, skilled engineering workers, such as toolroom fitters, tool makers, etc.) are rarely found in the unemployed register. There is always the hope, moreover, that by remaining at home an unemployed man will stand a better chance of getting a job in one of the new enterprises starting up in Northern Ireland.

180. There are, in addition, social and economic reasons why workers are unwilling to move. Workers are no doubt deterred from moving to Great Britain by the feared difficulty of adjustment to life in a somewhat different environment. It is only natural, in any case, that most people should prefer to work in places where their own friends and relations live. Married men and women are generally reluctant to move for self-evident reasons. Accommodation is sometimes hard to obtain, expensive and uncongenial; and for these reasons men frequently go on their own and return when they lose their job in Great Britain, or can find another close to their homes in Northern Ireland.

181. There is, in summary, a relationship (though one which it is hardly possible to define precisely) between the rate of unemployment, the level of social services and the rate of migration. Thus, the net outward migration from Northern Ireland is about 9,000 (or 0.6 per cent. of the population) a year; that from the Irish Republic, whose population is about twice as large, but whose present social services are much more modest, is about 40,000 (or 1.4 per cent.) a year; and that from Scotland is about 25,000 (or 0.5 per cent.) a year. Scotland's population is four times as large as that of Northern Ireland so that this figure is relatively low, but the average rate of unemployment has been only  $3\frac{1}{2}$  per cent. over the last five years, compared with 7.7 per cent. in Northern Ireland.

### **Present Arrangements**

182. Any vacancy arising in Great Britain which is notified to regions of the Ministry of Labour outside that in which it occurs, is notified also to Northern Ireland. Employers are encouraged to visit Northern Ireland when this appears to be justified, and the Northern Ireland authorities carry out preliminary selection on behalf of the employer. Most of the vacancies, however, are for skilled men, who are nearly as difficult to find in Northern Ireland as in Great Britain.

183. The Ministry of Labour and National Insurance, Northern Ireland, provides workers who are taking up approved employment in Great Britain with free travel warrants and travel allowances; with lodgings allowances (to married men or those with similar responsibilities) of 35s. a week for up to one year on conditions similar to the Temporary Transfer Scheme in Great Britain; and with free fares home to take up employment, on termination of the lodging allowance or of employment (if the worker is not at fault) and for certain other reasons. Total expenditure for all these purposes is rather less than £15,000 a year.

## Possible Measures to Encourage Movement of Labour

184. There are, as we have noted, a number of powerful deterrents to the movement of labour from Northern Ireland. There are, nevertheless, a number of useful measures which might help. Our first suggestion is that, since unemployment is Northern Ireland's greatest economic problem, steps should be taken to find out as much as possible about the reasons why men and women are reluctant to move and why such a high proportion eventually return to Northern Ireland. Fuller information might make it easier to devise means of overcoming at least some of the difficulties. We understand that an enquiry into labour mobility in Great Britain is already being planned by the Social Survey of the Central Office of Information in collaboration with the Ministry of Labour and other interested United Kingdom Departments. We think that it would be useful if this enquiry could be extended to cover Northern Ireland, in order to throw further light on the questions mentioned above.

185. We see no reason to suggest improvements in the arrangements for notifying vacancies and for encouraging firms in Great Britain to look to Northern Ireland for labour. There appears to be no lack of information in either quarter, and it appears to be diffused sufficiently quickly. We think that it would be unreasonable to expect regions to notify vacancies which they expect to be filled locally. This, unfortunately, applies to all but the less attractive vacancies for unskilled men.

186. We have considered whether the Government Training Centres in Northern Ireland might provide the men with basic skills to fit them better for employment in Great Britain. This is a complex question which is not readily capable of solution, and we suggest that the Government of Northern Ireland should give further consideration to it.

187. Some limited increase in movement might be achieved by giving more financial assistance and possibly by helping migrants to find accommodation. More help for families to move would also be useful, particularly as family ties have been represented to us as one of the main reasons why a high proportion of emigrant workers return to Northern Ireland each year. These are matters which should be considered in detail by the Government of Northern Ireland in conjunction with the appropriate authorities in Great Britain.

## X.—THE ORGANISATION OF ADVICE AND PLANNING

188. We have considered a number of proposals as to the ways in which the provision of advice and help to the economy of Northern Ireland might be improved; the most important have been for a Development Corporation, for an Economic Planning Council and for an Industrial Development Advisory Service. We have already expressed our views (cf. paragraphs 129–134) on matters with which the third of these organisations might be concerned. It has been suggested that the Development Corporation should be given power (including financial means) to initiate new public enterprises which might develop the resources of Northern Ireland and provide additional employment; that it should initiate pilot manufacturing and trading enterprises; and that it should both mobilise local savings for investment in the economy and make these available to firms, if appropriate in the form of risk

capital. It would replace both the New Industries Branch of the Ministry of Commerce and the Northern Ireland Development Council. The Economic Planning Council would include representatives of the Government, of various public bodies, of industry and of the trade unions; it would draw up a programme of economic development. It would have authority to plan several years ahead, though parliamentary approval of the expenditure would have to be obtained annually.

### **The Control of Planning and Development**

189. The notion of planning, as a means of helping to cure economic ills, is not peculiar to any one political outlook, though it can cover very different functions. The Economic Planning Council described above would clearly take over in large measure the general direction of the economy of Northern Ireland and would exercise a closer control of the economy than that at present exercised by the Government of Northern Ireland: the Development Corporation would intervene at a number of specific points in the economy in competition with private enterprise, besides developing facilities which are held to be lacking in the region. Apart from this there are the more modest functions which might be exercised by a purely advisory body, from which the Government might seek advice on current economic problems and, so far as this was appropriate and useful, on the development of the economy of the region as a whole.

190. We do not think it either constitutionally appropriate or practically necessary to set up an autonomous body of either kind. Government Departments are in close touch with local affairs; there is no need in so small a region for duplication by an elaborate and possibly expensive form of organisation.

191. There are several other points to be borne in mind when forming a view as to the possibilities of any of these kinds of planning. The first is that, as we have observed, the economy of Northern Ireland is part of that of the United Kingdom. The scope of economic planning in the first sense is therefore very limited, since the powers of the Government of Northern Ireland are themselves limited. It has no power over tariffs; its powers of taxation are very limited; there is no central bank and no possibility of pursuing a separate monetary policy. Some modifications in credit policy may be possible, but the main decisions affecting the economy of Northern Ireland must be made in London. Nor, as we have seen, is the region independent financially, in view of the direct and indirect subventions which it receives from the United Kingdom Government. The local interests of Northern Ireland must obviously be subordinated to the wider national interest when decisions are taken affecting the economy of the United Kingdom as a whole. We recognise, however, the importance of securing that the legitimate interests of Northern Ireland are fully known and borne in mind: this may be important, especially since the decisions on national economic planning may well be less appropriate to conditions in Northern Ireland than to those in the rest of the United Kingdom, if only because resources will probably be less fully employed. We assume that, in these circumstances, whenever there is the opportunity of exempting Northern Ireland from the United Kingdom measures—*e.g.*, special deposits or cuts in public investment—these considerations will be taken fully into account.

192. We have referred at various places in our report to the possible desirability of Government initiative in the development of new forms of economic activity. We have indicated, however, that the appropriate role of the Government of Northern Ireland would appear to be to stimulate and encourage private enterprise to do what needs to be done, rather than to undertake commitments itself. We have already observed that we do not think it necessary to propose ways and means of improving the financial facilities of Northern Ireland. No formal organisation, such as a Development Corporation, would appear to be necessary: if the Government of Northern Ireland should find it necessary to sponsor some specific trading enterprise it could no doubt acquire the necessary powers by means of legislation.

### **Economic Advice**

193. It remains to consider the provision of economic advice, and the relationship of what might be developed in this field to the present and potential activities of the Northern Ireland Development Council.

194. Until recently no central organisation existed to carry out economic research or to offer economic advice, though statistical studies were carried out by the various Northern Ireland Departments, in liaison with the Central Statistical Office. This situation has now been changed by the creation of the Office of the Economic Adviser to the Government of Northern Ireland, and the appointment as Economic Adviser of Sir Douglas Harkness, K.B.E., formerly Permanent Secretary to the Ministry of Finance and one of the members of our Working Party. The office will make regular appreciations of the economic situation of Northern Ireland and the effects of the policies of the Governments, especially on employment, and will advise the Prime Minister of Northern Ireland on these matters and on specific proposals which may be before the Government of Northern Ireland. It will have regard to the problems of particular industries in the region and the effect on them, and on the Northern Irish economy generally, of entry by the United Kingdom and the Irish Republic into the European Economic Community.

195. We regard the provision of general economic advice as important for a number of reasons. The economic situation of Northern Ireland is a good deal less complex than that of the United Kingdom as a whole; on the other hand the Government of Northern Ireland is faced with the problem of persistently high unemployment and has to take active measures to counter it. These efforts can hardly achieve the maximum effect without adequate advice as to the situation in which they are taken and which they are designed to improve. Secondly, since Northern Ireland is relatively isolated a special effort is needed to keep in touch with economic developments elsewhere (and views on them), in so far as they may affect the economy of the region. In spite of its geographical separateness the economy of the region can be deeply affected by such developments. We think that it will be particularly desirable for the Office of the Economic Adviser to maintain close contact with the economic statistical and administrative organs of the United Kingdom Government and to develop a unified supply of economic and statistical information.

196. We have considered whether or not the Government, and the Economic Adviser in particular, should have the help of an Economic



Council of persons drawn from outside Government service and especially from both sides of industry. The functions of such a body would necessarily be limited. There is no scope as we have seen, for separate consideration of the major factors which may affect the economy of the region. On the other hand such a body might serve a useful purpose in keeping under review the impact on Northern Ireland of the economic policies pursued by the United Kingdom Government, and their effects on particular industries in Northern Ireland and on the economy of the region as a whole. It is for consideration, however, whether any such formal body as a Council is needed for this purpose, or whether the necessary advice cannot be obtained by informal consultation with individuals and organisations.

### **The Northern Ireland Development Council**

197. The Northern Ireland Development Council was set up under the Chairmanship of Viscount Chandos in May 1955. Its terms of reference are "to promote new industries and to reduce unemployment in Northern Ireland", and within these very wide terms it has concentrated on two functions related to the attraction of new industry. The first has been the personal canvass of industrialists who might be persuaded to establish plants in Northern Ireland; the second has been the supervision of publicity designed to make known the advantages of Northern Ireland to industry in Great Britain. The publicity and public relations work done by the Council has contributed to a far wider appreciation among British industrialists of the opportunities for development in Northern Ireland and has gone a long way to overcome prejudice. The Council also did valuable pioneer work in the United States, where it maintained a representative to attract American industry until this function was transferred to the Ministry of Commerce as a result of its participation in the British Industrial Development Office. The functions of the Council necessitate knowledge and experience of industry in general rather than of the affairs of Northern Ireland in particular. For the latter the Council can turn to the Ministry of Commerce, which remains responsible for the detailed work and negotiations arising from any contacts which the Council may establish. The Council has, therefore, its own distinct and valuable functions; having been constituted primarily to establish contact with expanding industry outside Northern Ireland it is not especially qualified for the investigation of the general economic problems of Northern Ireland. There should be no danger of its work overlapping that of any economic advisory body which might be set up.

## **XI.—CONCLUSIONS AND RECOMMENDATIONS**

198. We need not recapitulate the conclusions emerging from our analysis of the economic problems of Northern Ireland (cf. paragraphs 34–37), nor the questions which we identified as relevant to decisions on the individual proposals which we have examined (paragraph 80). The problem is to develop new and viable industries in Northern Ireland in order to absorb the labour which can be expected to become redundant in parts of the economy, to provide the extra jobs which will be needed in view of the increase in the working population, and to reduce significantly the existing level of unemployment. The number of industries prepared to extend their

operations to Northern Ireland is limited, though the pace quickened in 1960 and 1961. Policies must continue and develop to encourage and help this process as much as possible. New employment opportunities, however, must be seen against the problem presented by some of the old staple industries, in which employment has been falling. Here the task is either to stabilise the level of employment in existing lines of production or to create alternative employment through diversification. A great deal of the available aid is already given to maintain employment rather than to create new jobs, and this will have to continue at any rate until the situation has considerably improved.

199. We have been able to reach agreement on many individual recommendations which are set out below, though on many of these, in turn, the recommendation is necessarily in general terms. We agree, for example, that it would be desirable to increase the programme for the training of labour and generally to do all that is possible to ensure that the greatest potential asset of Northern Ireland, the labour force, is as well-fitted as it can be made for the industrial structure which is already developing. We agree also that as much as possible should be done to encourage firms to avail themselves as fully as possible of the results of research and of the most modern techniques of management. We consider that more might be done to encourage the improvement of tourist facilities. We think that an increase in the housing programme would be justified on social grounds and might offer useful opportunities of employment at relatively little extra cost.

200. We have been unable to reach agreement, however, on the main proposal put forward by the Government of Northern Ireland—that for an employment subsidy. Our differences arise partly from the relative importance which we attach to short-term, as opposed to long-term, considerations, and partly from the degree of optimism or pessimism which we feel about the long-term prospects themselves.

201. Some of us feel that a general subsidy to wages, besides being expensive in relation to the results which it might achieve, would have undesirable long-term effects which would outweigh any immediate benefits. The danger would be two-fold. By maintaining employment (especially of scarce skilled labour) in existing industries which cannot be expected to expand it would, on this view, prevent the labour becoming available for new growth industries and thereby inhibit the healthy process of change and development. Secondly, it would be difficult to discontinue the subsidy, once introduced, while the difficulties of the old staple industries might well lead to pressure to increase it.

202. Those who hold this view point to the facts that the policy of attracting new industries has created a large number of jobs, and that if it were not for recent reductions in employment in the older industries, especially shipbuilding, the employment position would have improved already. Northern Ireland is unfortunate in that so much of her employment has been in agriculture, shipbuilding and textiles, all industries where employment has also fallen off in Great Britain. At the same time there is a somewhat high number of ageing, unskilled workers who, as has been explained elsewhere, present a special problem. It is not that present policies are unsuccessful, much less that they are wrong, but that the magnitude of the task has been unexpectedly large.

203. These members of the Working Party think that, in order to achieve the lasting improvement called for in our terms of reference, the main emphasis must be on a continuation of the present forms of aid to new and expanding industry, and for re-equipment and conversion. This would avoid the risk of harming the desirable long-term development of the economy, though it might mean waiting longer for a decline in unemployment. Unless a decision by the United Kingdom to join the Common Market should have adverse effects on agriculture, no further decline in paid agricultural employment is expected. There are some grounds for hope, they feel, that employment in shipbuilding will be stabilised. The present inducements to new firms and for the expansion and conversion of existing ones should continue to prove effective, and the problem of unemployment should be much alleviated through the establishment of industries which are likely to grow. These inducements should, *inter alia*, give grounds for hope that employment in the textile group as a whole can be maintained, even though some further decline is to be expected in the linen industry. The positive measures to which we have referred above (paragraph 199) would all be useful, though not spectacular, additions to present policy. Increased help might be given through greater emphasis on relating aid to increases in employment (cf. paragraph 205 below).

204. Others of us feel that the problem of unemployment is at present so acute and causes such distress and social strains, that a fairly drastic step, such as the proposed wage subsidy, is necessary in the immediate future. While recognising that there is a danger of distorting the industrial pattern, they think that suitable safeguards could be devised and, in particular, that if potential new industries appeared at a rate fast enough to threaten a shortage of labour, the wage subsidy could be tapered off. They also feel less optimism about the long-term prospects, and consider that the continuance of heavy unemployment in Northern Ireland, despite all the measures taken in recent years, creates a strong presumption that such disadvantages as Northern Ireland suffers as an industrial area make it necessary to provide general help to industry, over and above the present measures, at least for some years to come. That is, they do not share the view (expressed in paragraph 203) that the employment position in existing industries is tending to stability, so that new industries will not only provide sufficient jobs to keep pace with the increase in the working population, but will in due course reduce the present level of unemployment.

205. As regards the suggestion of an employment subsidy related to additional employment, which we have discussed, the Working Party is impressed by the administrative and practical difficulties which would arise and we do not recommend such a scheme. We feel, however, that there is substance in the view on which it was based, namely, that as between two schemes costing the same amount, and with similar prospects of continuing success, it would be better in the circumstances for Northern Ireland to choose the one which offered more employment or, in other words, which required the larger proportion of labour to capital in the input for a given output. The Northern Ireland representatives have explained that, in exercising its powers to encourage industrial development, their Government has varied the amount of assistance to take account of employment and any other factors which would affect the value of particular projects to the

Northern Irish economy. As they have pointed out, the number of new firms likely to be successful which have come forward up to the present has not been so large that the Ministry of Commerce could afford to exercise much discrimination in choosing between them. We think, however, that as opportunities permit the Ministry of Commerce should endeavour to strengthen the emphasis of its incentives in favour of firms likely to employ more labour per unit of capital. It already has the powers under existing legislation to give a grant towards the cost of additional labour for a limited period and these powers might be more widely used. The Ministry of Commerce is already aware of this point which, as we have said, is likely to be of particular importance in the next few years.

206. The discussion in the preceding paragraphs indicate that we have reached no agreed conclusion on the proposal for an employment subsidy. We consider, however (cf. paragraph 205), that as opportunity offers the Ministry of Commerce might be authorised to make wider use of its powers to relate aid to direct increases in employment. The remainder of our conclusions and recommendations on individual proposals which have been made to us and on individual problems which we have discussed may be summarised as follows.

207. We do not recommend any increase in the maximum amount of *capital grants* to individual firms for re-equipment or conversion. Assistance to new firms or major extensions is not subject to any fixed limits; it should not be on such a scale as to destroy the initiative and responsibility of the enterprise. Loans might be used more extensively to give further help to new industries or extensions where there is genuine difficulty in raising capital (paragraphs 79, 83, 84).

208. We see a number of objections to the proposal for *tax concessions* on capital grants: in particular, they would reduce the net cost of investment to less than a tenth of the gross cost (paragraphs 88-89).

209. We do not recommend any general expansion of the programme of *public works* (paragraph 90). There is, however, a case on social grounds for an increase in the *housing programme* (paragraph 92). The difficulties which hamper this require further study. Every effort should be made to secure a balanced labour force of adequate size (paragraphs 93-95).

210. We have not considered exhaustively the question of *sea transport*, since the report of the House Committee on the adequacy of services and the reasonableness of charges is not yet available. Our preliminary consideration of the matter has not enabled us to formulate an agreed view (paragraphs 98-101).

211. The *subsidy to the industrial users of coal* and energy derived from it entails certain economic disadvantages and some members of the Working Party recommend that it should be abolished. They consider, further, that although there is force in the argument that the *tax on fuel oil* has particular disadvantages for Northern Ireland, there would be serious objections to any system of grants in refund of tax. These objections would not apply with the same force to the inclusion of oil within the scope of the existing subsidy scheme, nor would they be entirely removed. The Northern Ireland representatives consider, however, that it is important to avoid any increase in industrial costs, and that, in the absence of any more general scheme of

assistance, the coal subsidy should be retained and extended to cover all industrial fuels (paragraphs 102-106).

212. The importance of *industrial de-rating* in Northern Ireland will increase as re-rating proceeds in Great Britain. It is particularly beneficial to industries with extensive fixed assets (e.g., shipbuilding), though its effect on employment is indirect. It has considerable psychological value, especially in the attraction of new enterprises (paragraph 107).

213. We have not reached agreement on the proposal that *tax-free grants* should be made *in repayment of tax* incurred by new firms over an initial period. Some of us consider the psychological attraction of a discretionary scheme of this kind to be such as to outweigh any objections on grounds of fiscal policy, the difficulties of administration or the risks of abuse. The remainder of the Working Party finds these objections decisive (paragraphs 124-127).

214. The initiative for developing local productivity committees with a view to improving productivity and stimulating the use of *industrial advisory services* must arise from the desire of both sides of industry to participate (paragraph 131). A small scheme of grants towards expenditure by firms on the services of recognised industrial consultants should be considered (paragraph 133). A greater effort might usefully be made to publicise the services, including consultants' services available to industry (paragraph 134).

215. No special measures are needed to develop new *financial facilities* for industrial development (paragraph 136). There is no force in the argument that an unduly high proportion of small savings is drawn out of Northern Ireland to finance the expenditure of the United Kingdom Government (paragraph 135).

216. A vigorous policy to train the right kind of labour force must be one of the most important parts of any policy to develop the economy of the region. The system of linking Government *training* courses to prospective employment, often in co-operation with particular firms, should not be changed, although the range of training should be kept under review (paragraph 139). The possibility of training suitable employed or unemployed craftsmen to toolroom standard in Government Training Centres should be explored (paragraph 140). It might also be possible, with financial assistance from the Government, to persuade firms with adequate toolroom training facilities to move good-type fitters in their employment from production to toolroom training (paragraph 145). If these two projects mature they will be strong candidates for financial assistance. Vigorous representations should be made to those trade unions which are reluctant to agree to adequate schemes for the training of adult unskilled workers to semi-skilled status and for the admission of additional apprentices into the crafts they control (paragraph 146). It is doubtful if a training scheme in domestic work for women would be justified (paragraph 141).

217. The possibilities of developing an expanded *air freight* service, if necessary with financial assistance from the Government, should be thoroughly investigated (paragraph 151).

218. There are complaints about the inadequacy of *air travel facilities* for executives. Some of these appear to relate to occasional difficulties at times of peak demand, though there are general complaints of over-booking and of aircraft leaving with spare seats after bookings have been refused.

These latter difficulties arise from multiple booking ; we understand that B.E.A. is taking steps both to discourage this practice and to increase capacity on the London—Belfast route. *Hotel facilities* in Belfast do not compare unfavourably with those in cities of comparable size, although it might be necessary to improve them if it is desired to project a favourable “image” of Northern Ireland in the minds of those who may have to take decisions whether to establish firms there or not (paragraph 153).

219. An enquiry into the design, production and marketing of *linen*, and into the possibility of reorganising the linen section of the textile industry and of expanding the development in the use of man-made fibres, would be unlikely to reveal any new factor (paragraph 155). There is a good case for a continuation of Government financial support for co-operative publicity by the linen industry (paragraph 156).

220. The firm of Harland and Wolff does not at present suffer any disadvantages peculiar to Northern Ireland, and we do not comment on its general difficulties, since the problems facing the *shipbuilding* industry as a whole fall outside our terms of reference. Further help, by revival of the pre-War Loans Guarantees legislation but limited to Northern Ireland, would not be justified (paragraphs 157–158). The construction of a large new *dry dock* at Belfast entirely at Government expense would not be justifiable although, since Harland and Wolff is the only shipbuilding firm on the Lagan, it might be justifiable for the Government to contribute a larger share of the cost than elsewhere (paragraph 160).

221. The future prospects of Short Brothers and Harland must give cause for concern, since the *aircraft* industry as a whole seems likely to contract. Our forward estimates of employment in Northern Ireland assume a limited but not a critical fall in employment in the firm (paragraph 164). We attach considerable importance to the firm's efforts to diversify its production in the hope of offsetting the decline in work on aircraft (paragraph 165).

222. It would be advisable to concentrate on the improvement of efficiency in *agriculture* rather than on the expansion of employment (paragraph 166). We do not recommend any increase in the *forestry* programme (paragraph 167). It is desirable that as many stages as possible of the *processing of agricultural products* should be completed in Northern Ireland, and the maximum effort should be devoted to research into the grading, preparation, packaging, preservation and marketing of convenience foods (paragraphs 169–170). We understand that developments in the processing and marketing of fat cattle are under consideration (paragraph 170).

223. There is scope for further development of facilities for *tourism* (paragraph 172). The Government grant to the Northern Ireland Tourist Board should be increased in order to test the effects of a substantial increase in publicity. Some part of the increase should be conditional on a further contribution from the industry (paragraph 173). Government help is being made available for the improvement of existing hotels and for the building of new hotels (paragraph 174). There might be advantages in arranging for limited numbers of hotel and catering staff to be sent to the main centres of training in Great Britain or on the Continent (paragraph 175). Consideration should be given to increasing the scale of grants towards the improvement of local amenities in tourist centres. The provision of special air ferries for cars should be further explored (paragraph 176).

224. The encouragement of *migration* should be regarded as one of a composite mixture of measures to alleviate unemployment, and further steps should be taken to find employment opportunities outside Northern Ireland and to induce unemployed workers to avail themselves of them (paragraph 177). There are obviously powerful deterrents to the movement of labour from Northern Ireland, but we think that an enquiry aimed at obtaining fuller information about the reasons why men and women are reluctant to move and why such a high proportion of those who move return to Northern Ireland would be useful in helping to devise means of overcoming at least some of the difficulties (paragraph 184). The arrangements for notifying vacancies and encouraging firms in Great Britain to look to Northern Ireland for labour are adequate (paragraph 185). Further consideration should be given to using Government Training Centres in Northern Ireland to provide men with basic skills to fit them better for employment in Great Britain (paragraph 186). More financial assistance, including help for families who wish to move, and aid in finding accommodation should be considered (paragraph 187).

225. Neither a *Development Corporation* nor an *Economic Planning Council* would be constitutionally appropriate or practically necessary (paragraph 190). We assume that the special problems of Northern Ireland will be taken into account whenever there is an opportunity of exempting the region from particular United Kingdom economic measures which might bear heavily on it (paragraph 191). The provision of *general economic advice* to the Government of Northern Ireland is important, and the Economic Adviser should maintain close contact with the economic, statistical and administrative organs of the United Kingdom Government (paragraph 195). The establishment of an economic advisory body of persons drawn from outside the Government service should be considered (paragraph 196).

226. The *Northern Ireland Development Council* has its own distinct and valuable functions in the field of publicity, and there is no danger of its work overlapping that of any economic advisory body which might be set up (paragraph 197).

*May 1962.*

## EARNINGS AND WAGE RATES OF ADULT MALE EMPLOYEES IN NORTHERN IRELAND AND IN THE REST OF THE UNITED KINGDOM.

### Earnings

1. The statistics of average actual earnings of manual workers in various industries published every six months by the Ministry of Labour relate to the United Kingdom as a whole including Northern Ireland. No attempt has been made to arrange the collection of this information in such a way that comparable figures of average earnings could be obtained for any part of the United Kingdom. The establishments in the sample covered by the enquiry may not fully represent the position in Northern Ireland. The failure on the part of one large Northern Ireland employer to complete a return in respect of a particular enquiry may have a marked effect on the Northern Ireland earnings figure for the industry or industry group concerned. Any estimates made are therefore subject to a large margin of error. Moreover the figures of average earnings relate not to particular occupations but to all manual workers, including both skilled and unskilled.

2. Allowing for these reservations, however, it appears that average earnings in manufacturing industry generally are lower in Northern Ireland than in Great Britain, by more than 20 per cent. in a few cases but mainly by between 10 and 20 per cent.

### Wage Rates

3. It is not possible to quote wage rates corresponding to the earnings figures for the various industrial groups. Average earnings are calculated from returns completed by employers which show the total number of manual workers at work, the total amount of wages paid to those workers and the total number of hours actually worked by them. The returns are analysed according to the Standard Industrial Classification, and each is allocated to the minimum list heading appropriate to the major activity of the firm. On the other hand, information is not available about the actual wage rates paid at factory level, but only about the minimum or standard rates of pay laid down in voluntary collective agreements or Statutory Orders. These do not follow a uniform pattern—some specify only the minimum for the lowest rated workers, while others lay down the minimum rates for unskilled, semi-skilled and skilled occupations—and their scope very rarely coincides with an "industry" as defined in the Standard Industrial Classification.

4. Generally speaking, there is little difference between minimum wage rates, whether fixed by voluntary agreement or by statutory order, in Northern Ireland and in Great Britain (excluding London and some other areas to which abnormally high rates apply). In a very few industries the Northern Ireland rates are slightly higher and in a rather larger number they are lower. The majority of rates are identical in both countries and many are negotiated for the United Kingdom as a whole.

5. In *engineering* there is one agreement covering the whole of the United Kingdom but specifying different rates by districts. Some current rates are as follows:

District	Fitters		Labourers		Differential	
	s.	d.	s.	d.	s.	d.
Birmingham	195	2	164	10	30	4
Coventry	196	6½	168	1½	28	5½
London	199	9½	167	11½	31	10
Belfast	198	8	164	10	33	10

It must, of course, be borne in mind that these are minimum weekly time rates which may bear little resemblance to the rates actually paid, especially where labour is difficult to obtain.



6. The current rates in the *building* industry are:

*Craftsmen*

Great Britain—Liverpool 5s. 8½d. an hour.

Other areas 5s. 7d. an hour.

Northern Ireland 5s. 5½d.—5s. 8d. an hour according to area.

*Labourers*

Great Britain—Liverpool 5s. 1d. an hour.

Other areas 4s. 11½d. an hour.

Northern Ireland 4s. 2½d.—4s. 6½d. an hour.

TABLE I

*Average Weekly Earnings of Adult Male Manual Workers in Northern Ireland and Great Britain at October, 1961*

Industry Group (1)	Northern Ireland (Estimated Figures) (2)	Great Britain (Estimated Figures) (3)	Col. 2 expressed as a percentage of Col. 3 (4)
	s. d.	s. d.	<i>per cent.</i>
Food, drink and tobacco ... ..	247 1	291 4	84·8
Chemicals and allied industries ... ..	270 5	313 3	86·3
Metal manufacture ... ..	237 5	329 2	72·1
Engineering, electrical goods, ship- building and marine engineering	264 11	320 5	82·7
Vehicles ... ..	287 6	354 5	81·1
Metal goods not elsewhere specified	253 0	313 3	80·8
Textiles ... ..	217 11	283 1	77·0
Leather, leather goods and fur ... ..	220 9	275 7	80·1
Clothing and footwear ... ..	226 3	272 11	82·9
Bricks, pottery, glass, cement, etc....	251 8	313 3	80·3
Timber, furniture, etc. ... ..	230 11	299 3	77·2
Paper, printing and publishing ... ..	274 5	358 1	76·6
Other manufacturing industries ... ..	254 8	310 0	82·2
All manufacturing industries ... ..	249 6	319 1	78·2

TABLE II

*Average Hourly Earnings of Adult Male Manual Workers in Northern Ireland and Great Britain at October, 1961*

Industry Group (1)	Northern Ireland (Estimated Figures) (2)	Great Britain (Estimated Figures) (3)	Col. 2 expressed as a percentage of Col. 3 (4)
	d.	d.	<i>per cent.</i>
Food, drink and tobacco ... ..	62·7	72·1	87·0
Chemicals and allied industries ... ..	71·5	80·3	89·0
Metal manufacture ... ..	65·9	85·9	76·7
Engineering, electrical goods, ship- building and marine engineering	71·8	81·5	88·1
Vehicles ... ..	79·5	94·7	83·9
Metal goods not elsewhere specified	66·9	79·5	84·2
Textiles ... ..	58·0	72·7	79·8
Leather, leather goods and fur ... ..	60·2	70·8	85·0
Clothing and footwear ... ..	62·0	74·9	82·8
Bricks, pottery, glass, cement, etc....	60·9	76·2	79·9
Timber, furniture, etc. ... ..	62·3	76·9	81·0
Paper, printing and publishing ... ..	78·8	92·0	85·7
Other manufacturing industries ... ..	63·3	78·2	80·9
All manufacturing industries ... ..	66·5	81·8	81·3

APPENDIX II  
INSURED EMPLOYEES IN EMPLOYMENT IN NORTHERN IRELAND  
AND GREAT BRITAIN 1950-61

TABLE I  
*Insured Employees in Employment in Northern Ireland (1950-61)*<sup>(1)</sup>  
(Numbers in thousands: Mid-year figures)

	1950 <sup>(2)</sup>	1959 <sup>(2)</sup>	Net Change 1950-59	1959 <sup>(3)</sup>	1961 <sup>(3)</sup>	Net Change 1959-61
Agriculture, forestry and fishing ...	21.4	13.5	- 7.9	14.0	13.1	- 0.9
Mining and quarrying ...	4.0	3.3	- 0.7	3.3	3.4	+ 0.1
Construction ...	30.9	37.7	+ 6.8	38.1	38.6	+ 0.5
Shipbuilding and marine engineering	24.2	23.9	- 0.3	23.9	20.2	- 3.7
Textiles ...	72.8	54.1	-18.7	58.6	56.3	- 2.3
Other Manufactures	104.1	116.4	+12.3	96.6	100.9	+ 4.3
Transport, com- munications, etc.	30.5	27.3	- 3.2	27.5	29.3	+ 1.8
Distributive trades...	47.7	50.5	+ 2.8	58.1	59.9	+ 1.8
Public administration	32.6	33.2	+ 0.6	32.2	34.3	+ 2.1
Professional services	27.0	41.2	+14.2	41.2	43.9	+ 2.7
Other services ...	43.0	38.7	- 4.3	46.3	49.6	+ 3.3
Total ...	438.2	439.8	+ 1.6	439.8	449.5	+ 9.7

*Source:* Northern Ireland Digest of Statistics.

(1) The figures in this table have been calculated by subtracting from the number of insured employees (end May) the total number of registered unemployed (wholly unemployed and temporarily stopped) for the month of June.

(2) 1948 Standard Industrial Classification.

(3) 1958 Standard Industrial Classification.

TABLE II  
*Insured Employees in Employment in Great Britain (1950-61)*  
(Numbers in thousands: May each year)

	1950	1959 <sup>(1)</sup>	Net Change 1950-59	1959 <sup>(2)</sup>	1961	Net Change 1959-61
Agriculture, forestry and fishing ...	799.8	641.1	- 158.7	641.1	590.1	- 51.0
Mining and quarrying ...	852.6	827.4	- 25.2	830.3	733.4	- 96.9
Construction ...	1,294.4	1,364.7	+ 70.3	1,378.8	1,475.9	+ 97.1
Shipbuilding and marine engineering	280.7	268.2	- 12.5	266.4	243.0	- 23.4
Textiles ...	1,007.8	840.1	- 167.7	839.7	835.3	- 4.4
Other manufactures	7,029.6	7,819.5	+ 789.9	7,197.6	7,711.8	+ 514.2
Transport, com- munications, etc.	1,730.0	1,628.2	- 101.8	1,625.2	1,637.4	+ 12.2
Distributive trades...	2,081.7	2,507.7	+ 426.0	2,694.3	2,798.3	+ 104.0
Public administration	1,363.1	1,305.0	- 58.1	1,240.6	1,261.8	+ 21.2
Professional services	1,421.6	1,823.7	+ 402.1	1,916.8	2,051.7	+ 134.9
Other services ...	2,440.9	2,462.0	+ 21.1	2,856.8	2,911.0	+ 54.2
Total ...	20,302.2	21,487.6	+1,185.4	21,487.6	22,249.7	+ 762.1

*Source:* Ministry of Labour.

(1) 1948 Standard Industrial Classification.

(2) 1958 Standard Industrial Classification.

TABLE III

*Insured Employees in Employment in Manufacturing Industry, 1961<sup>(1)</sup>*

(Mid-year figures)

	Great Britain		Northern Ireland	
	Number	<i>Per cent. of total of Manufacturing Industries</i>	Number	<i>Per cent. of total of Manufacturing Industries</i>
1. Grain milling ... ..	41,300	0·47	3,059	1·72
2. Bread and flour confectionery and biscuits ... ..	196,500	2·24	7,195	4·05
3. Bacon curing, meat and fish products	71,000	0·81	3,182	1·79
4. Milk products ... ..	41,700	0·48	2,287	1·29
5. Tobacco ... ..	39,500	0·45	7,350	4·14
6. Other food, drink and tobacco ...	413,300	4·70	4,229	2·38
7. Chemicals and allied industries ...	529,500	6·02	1,770	1·00
8. Metal manufacture ... ..	629,500	7·17	461	0·26
9. Electrical goods ... ..	800,100	9·11	6,261	3·53
10. Textile machinery and accessories ...	55,500	0·63	5,552	3·15
11. Other engineering goods ... ..	1,264,300	14·39	9,075	5·11
12. Shipbuilding and ship repairing ...	175,400	2·00	13,100	7·38
13. Marine engineering ... ..	67,500	0·77	7,152	4·03
14. Aircraft manufacturing and repairing ... ..	297,100	3·38	6,273	3·53
15. Other vehicles ... ..	592,200	6·74	932	0·53
16. Metal goods not elsewhere specified	557,800	6·35	1,579	0·89
17. Carpets ... ..	35,500	0·40	1,181	0·67
18. Other textiles ... ..	798,200	9·09	55,123	31·05
19. Leather, leather goods and fur ...	62,600	0·71	633	0·36
20. Clothing and footwear ... ..	568,700	6·47	25,436	14·33
21. Bricks, pottery, glass, cement, etc. ...	343,400	3·91	3,954	2·23
22. Timber, furniture, etc. ... ..	286,900	3·27	4,232	2·38
23. Paper, printing and publishing ...	612,600	6·97	6,022	3·39
24. Other manufacturing industries ...	304,500	3·47	1,470	0·83
Total, all manufacturing industries	8,784,600	100·00	177,508	100·00

Sources: Ministry of Labour.

Northern Ireland Ministry of Labour.

(1) The figures in this Table and in Appendix III, Table II, are compiled on the same basis as those in Table I of this Appendix (see Note (1) to Table I). Consequently the Great Britain figures in this Table differ from those published in the Ministry of Labour Gazette, which include the temporarily stopped.

## APPENDIX III

## EMPLOYMENT CHANGES IN GREAT BRITAIN AND NORTHERN IRELAND SINCE 1950 IN AGRICULTURE, SHIPBUILDING AND TEXTILES.

The attached tables show:

- (1) Employment in agriculture, forestry and fishing in Great Britain and Northern Ireland, together with total civil employment. The figure covers employers and self-employed, including farmers' families, but excludes wholly unemployed persons.
- (2) Insured employees in employment in textiles and shipbuilding, together with the total number of insured employees in employment.

The numbers employed in agriculture have declined sharply and continuously in both countries, but rather more in Northern Ireland, where they fell by 27.7 per cent. between 1950 and 1961. The corresponding Great Britain figure was 18.3 per cent.

From 1950 to 1961, employment in shipbuilding and marine engineering fell by slightly more in Northern Ireland (16.4 per cent.) than in Great Britain (13.5 per cent.). However, since June, 1961, there have been further large redundancies in the Belfast shipyards which are not shown in these figures.

The change in the Standard Industrial Classification makes direct comparison between 1950 and 1961 difficult in the case of textiles. However, indirect comparisons show that employment in this industry declined sharply in both regions during this period—by 18.1 per cent. in Great Britain and 28.7 per cent. in Northern Ireland.

Between 1950 and 1961, the growth in the total number of insured employees in employment was appreciably smaller in Northern Ireland (2.7 per cent.) than in Great Britain (9.4 per cent.), while the numbers in civil employment actually fell by 1.3 per cent. However, in Northern Ireland the number of insured employees in employment rose considerably between June, 1959 and June, 1961. This was mainly due to an exceptional year in 1960 when there was a considerable increase in the insured population and more insured employees were in employment than ever before. The subsequent lack of employment opportunities has checked the rise in the insured population.

The following table shows the changes in the comparative importance of these industries in the two regions:

		Great Britain	Northern Ireland
Agriculture, forestry and fishing	... 1950	5.3	18.5
	... 1961	4.0	13.5
		<i>Percentage of all insured employees in employment</i>	
Shipbuilding and marine engineering ...	... 1950	1.4	5.5
	... 1961	1.1	4.5
Textiles ... ..	... 1950	5.0	16.6
	... 1961	3.8	12.5

TABLE I

*Numbers Employed in Agriculture, Forestry and Fishing, and Total Numbers in Civil Employment, in Great Britain and Northern Ireland (1950-61)*

		(end-June figures)		Thousands	
		Agriculture, etc.		Civil Employment	
		Great Britain	Northern Ireland	Great Britain	Northern Ireland
1950	...	1,161	101	21,993	546
1951	...	1,139	95	22,214	547
1952	...	1,112	92	22,119	528
1953	...	1,087	91	22,238	533
1954	...	1,074	90	22,604	544
1955	...	1,066	88	22,933	544
1956	...	1,032	88	23,149	548
1957	...	1,025	85	23,245	544
1958	...	1,009	81	23,080	527
1959	...	999	79	23,197	534
1960	...	983	79	23,628	545
1961	...	948	73	23,925	539
1950-61	...	- 213	- 28	+ 1,932	- 7
Percentage	change	- 18.3	- 27.7	+ 8.8	- 1.3

TABLE II

Numbers of Insured Employees in Employment in Shipbuilding and Ship-repairing (including Marine Engineering) and in Textiles, and of all Insured Employees in Employment in Great Britain and Northern Ireland (1950-61)<sup>(1)</sup>

(Mid-year figures)

	Shipbuilding ship-repairing and marine engineering		Textiles		Total insured employees in employment (Thousands)	
	Great Britain	Northern Ireland	Great Britain	Northern Ireland	Great Britain	Northern Ireland
1950 ... ..	280,700	24,229	1,007,800	72,807	20,308	438
1951 ... ..	274,100	23,691	1,028,400	75,725	20,514	442
1952 ... ..	281,500	23,568	796,800	57,194	20,360	416
1953 ... ..	284,700	23,231	960,900	67,419	20,582	430
1954 ... ..	285,600	24,217	986,700	69,178	20,950	440
1955 ... ..	287,600	23,426	938,200	65,813	21,249	441
1956 ... ..	295,100	23,303	921,700	65,646	21,477	445
1957 ... ..	291,500	22,502	929,600	64,283	21,585	444
1958 ... ..	280,600	21,842	846,900	50,686	21,391	426
1959 <sup>(2)</sup> ... ..	265,800	23,859	827,400	54,100	21,457	440
1959 <sup>(3)</sup> ... ..	264,700	23,859	835,100	58,628	21,457	440
1960 ... ..	253,000	25,470	840,000	60,599	21,915	452
1961 ... ..	242,900	20,252	833,800	56,304	22,224	450

See Note to Appendix II, Table III, on page 55.

<sup>(1)</sup> See Note (1) to Table III of Appendix II.

<sup>(2)</sup> Figures based on 1948 Standard Industrial Classification.

<sup>(3)</sup> Figures based on 1958 Standard Industrial Classification.

#### APPENDIX IV THE LINEN INDUSTRY

TABLE I  
Yardage of Cloth Woven

Year	Linen and Union	Cotton and cotton/rayon mixture	Rayon (spun or continuous filament)	Other Materials	Total
	Million sq. yds.	Million sq. yds.	Million sq. yds.	Million sq. yds.	Million sq. yds.
1912 <sup>(1)</sup> ... ..	226.4	( <sup>2</sup> ) —	—	—	226.4
1924 ... ..	167.4	2.5	—	—	169.9
1930 ... ..	118.4	2.3	—	—	120.7
1935 ... ..	146.0	3.8	—	—	149.8
1937 ... ..	161.5	5.2	—	0.1	166.8
1949 ... ..	87.9	21.0	50.3	2.0	161.2
1950 ... ..	92.7	17.7	63.7	1.6	175.7
1951 ... ..	99.2	17.5	68.9	1.8	187.4
1952 ... ..	73.9	14.8	32.5	1.4	122.6
1953 ... ..	96.6	13.1	41.1	1.8	152.6
1954 ... ..	88.9	18.3	43.5	3.2	153.8
1955 ... ..	87.5	18.3	38.7	5.0	149.5
1956 ... ..	91.1	14.9	44.4	7.3	157.7
1957 ... ..	87.5	15.0	38.4	9.4	150.3
1958 ... ..	69.5	16.4	34.8	8.3	129.0
1959 ... ..	74.4	16.2	29.8	9.2	129.6
1960 ... ..	72.2	24.1	33.3	9.8	139.4
1961 ... ..	59.8	26.6	35.3	9.9	131.6

<sup>(1)</sup> The census of production for 1912 covered the whole of Ireland but an adjustment has been made to exclude production in what is now the Irish Republic.

<sup>(2)</sup> Assumed to be negligible.

**TABLE II**  
*Employment, Output and Capital Expenditure*  
 (Firms employing 25 or more persons)

Year	Number of Establishments	Gross Output	Net Output	Average number of persons employed	Net Output per person employed	Capital Expenditure on buildings, plant and vehicles
		£'000	£'000		£	£'000
1949 ...	275	70,201	21,267	58,321	365	2,061
1950 ...	296	81,037	25,156	61,214	411	2,525
1951 ...	292	100,369	27,589	61,826	446	2,250
1952 ...	286	75,084	18,373	52,596	349	2,165
1953 ...	290	74,193	20,581	54,226	380	1,909
1954 ...	298	77,147	21,446	56,414	380	1,904
1955 ...	297	75,089	20,535	52,908	388	1,684
1956 ...	290	73,553	20,745	52,362	396	1,833
1957 ...	281	73,998	21,601	49,942	433	1,294
1958 ...	260	62,686	19,022	43,106	441	1,626
1959 ...	247	66,446	20,761	42,346	490	1,579
1960 ...	250	71,024	21,928	42,112	521	1,737

APPENDIX V

POPULATION AND EMPLOYMENT, 1950-60

June each year (Item 2 annual figures)

	Unit	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
1. Total population ... ..	000's	1,373	1,375	1,384	1,387	1,394	1,397	1,398	1,402	1,408	1,420	1,426
2. Estimated net outward migration ... ..	000's	6.5	11.1	4.8	10.8	6.1	11.9	13.4	10.9	9.6	4.2	8.5
3. Civil employment												
(a) Agriculture ... ..	000's	95	92	91	90	88	88	85	81	79	79	73
(b) All other... ..	000's	452	436	442	454	456	460	459	446	455	466	466
(c) Total ... ..	000's	547	528	533	544	544	548	544	527	534	545	539
4. Insured employees ... ..	000's	466	466	467	470	473	473	476	470	476	482	483
5. (a) Insured employees in employment ... ..	000's	442	416	430	441	441	445	444	426	440	452	450
(b) Index Northern Ireland	} 1950=100 {	101	95	98	101	101	102	101	97	100	103	103
(c) Index Great Britain ...		101	101	101	103	104	105	106	105	105	107	107
6. Unemployment:												
Northern Ireland ... ..	Per cent. of insured employees	5.1	10.6	7.9	6.3	6.8	5.9	6.8	9.3	7.6	6.2	6.9
Great Britain ... ..		0.9	2.0	1.3	1.0	1.0	1.0	1.2	2.0	1.9	1.4	1.2
7. Unemployed to unfilled vacancies:												
(a) Northern Ireland ... ..	Ratio					32	26	29	57	46	31	50
(b) Great Britain ... ..	Ratio	0.40	1.44	1.01	0.63	0.46	0.55	0.86	2.01	1.68	0.84	0.69

Sources: Northern Ireland Digest of Statistics: United Kingdom Monthly Digest of Statistics.

APPENDIX VI

FINANCIAL RELATIONS BETWEEN THE GOVERNMENTS

I.—*Transactions between Exchequers, Funds, etc. of United Kingdom and Northern Ireland (excluding Imperial Contribution)*

	1955-56	1956-57	1957-58	1958-59	1959-60
<i>Payments to Northern Ireland</i>					
Social Services Agreement	4,674,558	4,424,829	4,668,281	4,996,052	6,441,071
National Insurance Fund	2,618,417	4,910,000	4,436,000	5,860,000	6,767,000
Agricultural Subsidies ...	13,773,000	21,429,000	30,100,000	21,000,000	21,900,000
Agriculture Act, 1957, Section 32 ... ..	—	—	850,000	840,000	1,200,000
Land Annuities retained by the Northern Ireland Exchequer ... ..	401,034	393,404	391,777	388,332	386,844
Total ... ..	21,467,009	31,157,233	40,446,058	33,084,384	36,694,915

II.—*Imperial Contribution*

The Imperial Contribution is Northern Ireland's contribution towards the cost of those services which are for the general benefit of the United Kingdom. The services towards which contribution is required are those listed in Schedule 6 of the Act and are as follows:

- National Debt Charges.
- Naval, military and air force expenditure, including pensions and allowances.
- Civil List and the Royal Family.
- United Kingdom Parliament.
- National Debt Commissioners.
- Foreign, Commonwealth and Colonial Services.
- Trade with any place outside the United Kingdom.
- Royal Mint.
- Expenditure in connection with any other Government Department as the Joint Exchequer Board may determine to be Imperial expenditure, after deducting any sums received otherwise than by way of taxation which the Joint Exchequer Board may determine to be Imperial receipts.

The Imperial Contribution paid in the last five years has been as follows:

	£ million
1959-60 ... ..	7
1958-59 ... ..	9
1957-58 ... ..	9.5
1956-57 ... ..	14
1955-56 ... ..	16

It is evident that these payments are less than those which would have been required if Northern Ireland were asked to contribute to the Imperial Services on a population basis rather than on the basis of taxable capacity. This must undoubtedly be true of other regions of the United Kingdom, but because Northern Ireland is treated as a separate entity it is possible to quantify the difference. Thus if the cost of the services detailed above was allocated by reference to the population of the two countries, the cost attributable to Northern Ireland would have been as follows:

	£ million
1959-60 ... ..	55
1958-59 ... ..	56
1957-58 ... ..	55
1956-57 ... ..	59
1955-56 ... ..	55



## APPENDIX VII

### AN ESTIMATE OF EMPLOYMENT IN NORTHERN IRELAND IN 1965

The figures given in this estimate are all subject to a wide margin of error. They assume the continuation of existing policies for the encouragement of economic development in Northern Ireland and of favourable economic conditions in the United Kingdom as a whole. The following notes indicate the other main assumptions which have been made.

#### *Agriculture, Forestry, Fishing and Quarrying*

The decline in the number of insured employees in agriculture seems to be slowing down and it has been assumed that any further decrease will be balanced by increasing numbers in forestry. Fishing and quarrying are not likely to change appreciably.

#### *Textiles*

The estimate of 58,000 in 1965 assumes a further loss of 3,000 jobs in existing firms and an increase of 5,000 due to industries which have announced plans for starting or expanding production in Northern Ireland.

#### *Clothing*

It has been assumed that employment will remain about the same and that the 1,000 jobs which are expected in new projects will be offset by reductions in existing firms.

#### *Manufacturing Industry*

The Ministry of Commerce estimates that 15,000 new jobs will be available by mid-1965 made up as follows:

Textiles	...	...	...	...	...	...	...	5,000
Clothing	...	...	...	...	...	...	...	1,000
Food, drink and tobacco	...	...	...	...	...	...	...	1,000
Engineering	...	...	...	...	...	...	...	6,000
Other manufacturing	...	...	...	...	...	...	...	2,000

1960 and 1961 were years of great success in the attraction of new industries (particularly light engineering firms) but it cannot be assumed that the same rate of increase will be maintained. These estimates assume that any shortfall in the employment to be provided by known projects will be made good by additional projects coming forward between now and 1965.

#### *Construction*

The expanding programme of road works (investment in which is expected to total £11.5 million this year) has helped to create additional employment in this sector. The projected increase of 3,000 before 1965 also takes account of some construction workers (e.g., joiners) who were still in the shipyard in June, 1961, but who will have returned to construction work by now.

#### *Services*

There has been a remarkable increase in this group in recent years; much of it is due to public sector investment in health and education. With rising living standards expansion of some services in the private sector will take place but a slowing down in the rate of increase has been assumed.

#### *Insured Employees*

In estimating the future working population, it is generally assumed that the number of insured employees (employed and unemployed) varies with the size of the population of working age (15-64): this is not always true. Recent experience has shown that when employment is running at a high level in Northern Ireland, or when new opportunities of employment are presented, married women, retired persons, returning emigrants and the self-employed inflate the number of insured employees and this is also one of the reasons why new industries do not reduce the unemployment register by as much as anticipated. In contrast, when employment is falling some of these categories leave the insured population. Fluctuations of this kind can be greater than the normal net increase in the people of working age but they are impossible to forecast

several years ahead. In this estimate the insured population has been taken as 495,000 in 1965 but this could well be up to 500,000.

### Unemployment

This is the residual item in the estimate.

### Self-employed

This estimate takes no account of self-employed. Very little movement takes place between the categories of self-employed and insured employees. Reduction in the number of self-employed in agriculture is usually accounted for by retirements.

TABLE  
*Mid-Year Employment Estimates in Northern Ireland*

Industry Group	1950 <sup>(1)</sup>	1955 <sup>(1)</sup>	1960	1961	1965
Agriculture, forestry, fishing and quarrying ... ..	26	20	17	17	17
Shipbuilding and marine engineering ... ..	24	23	25	20	13
Aircraft ... ..	5	8	7	6	5
Textiles ... ..	77	70	61	56	58
Clothing ... ..	25	27	26	25	25
Food, drink and tobacco ...	19	22	27	27	28
Engineering ... ..	14	16	20	21	27
Other manufacturing industries	22	22	21	22	24
Total manufacturing industry	186	188	187	177	180
Construction ... ..	31	34	36	39	42
Professional services ... ..	27	33	43	44	48
Distribution ... ..	55	58	59	60	62
Other services ... ..	113	108	110	113	115
Total services ... ..	226	233	248	256	267
Total ... ..	438	441	452	450	464
Unemployed ... ..	26	32	30	33	31-36
Insured employees ... ..	464	473	482	483	495-500

(1) Adjusted to the 1958 S.I.C.

## APPENDIX VIII

### ASSISTANCE TO AGRICULTURE IN NORTHERN IRELAND

In order to complete the picture of the help from Government sources (either by the United Kingdom Government or the Government of Northern Ireland) given in Section IV of the report it is necessary to bear in mind also that assistance is given to Northern Ireland agriculture which forms a much larger proportion of the economy than is the case in Great Britain. The total amount of subsidies, paid on a basis comparable with that on which they are paid in Great Britain, was £24.4 million in 1959-60 and £112 million over the five years from 1955-60 (the detailed figures are shown in Appendix VI). Owing to the different composition of agricultural production in Northern Ireland, and the limited size of the remunerative market for liquid milk, these payments have amounted to a higher proportion of the agricultural output in Northern Ireland than in the United Kingdom as a whole. For instance, in 1960-61 the proportion was 32 per

cent. in Northern Ireland compared with 18 per cent. in the United Kingdom. A more detailed comparison is given in the following table:

*Agricultural Subsidies as ratio of total output in Northern Ireland and in Great Britain*

	Northern Ireland			Great Britain		
	Output <sup>(1)</sup> £ million	Subsidies <sup>(2)</sup> £ million	Subsidies as per cent. of output	Output <sup>(1)</sup> £ million	Subsidies <sup>(2)</sup> £ million	Subsidies as per cent. of output
1958-59 ... ..	93.1	23.6	25.3	1,314.1	214.2	16.3
1959-60 ... ..	87.7	24.8	28.2	1,347.4	228.1	16.9
1960-61 ... ..	90.6	28.1	31.0	1,355.5	230.9	17.0

(1) Total output less value of imported store animals (this figure excludes valuation changes).

(2) Farming grants, subsidies and payments under agricultural price guarantees.

In addition a special subsidy is paid to Northern Ireland farmers. Between 1949 and 1953 they enjoyed virtual equality with farmers in Great Britain in the prices which they received. In 1953 the United Kingdom changed the arrangements for subsidising agriculture, and under these new arrangements the price received by Northern Irish farmers was adversely affected by their remoteness from their main markets. It was therefore agreed to pay a special additional subsidy in partial compensation for this disadvantage. The proceeds from this subsidy have been paid direct to Northern Irish farmers under special schemes to encourage greater efficiency on farms, rather than being based on the amount of produce supplied to the markets.

The amount of the special subsidy payable during the five-year period beginning 1st April, 1962, has been fixed at £1½ million a year. During the previous five-year period (1957-62) the average amount payable was £1 million a year.

#### APPENDIX IX

#### EXISTING MEASURES TO ASSIST EMPLOYMENT

##### *De-rating of Industry*

1. In 1929 the Northern Ireland Government followed the example of the United Kingdom Government and adopted a 75 per cent. de-rating of industrial property. When in 1959 industrial de-rating in Great Britain was reduced from 75 per cent. to 50 per cent., the Northern Ireland Government did not follow suit on the grounds that economic conditions in Northern Ireland were very different and that it would be inappropriate to throw an extra burden on local industry at a time of high unemployment. At the present time the net annual value of industrial property in Northern Ireland is about £2 million and an average rate of about 20s. in the £. Therefore industry (75 per cent. de-rated) is now paying about £½ million a year in rates; if de-rating had been reduced to 50 per cent. it would be paying about £1 million. In terms of cash therefore Northern Ireland industry is currently being saved about £½ million as compared with industry in England and Wales; this cost falls entirely on the Exchequer and is not financed out of the rates paid by shops and private householders.

2. In Great Britain de-rating of industry will disappear entirely with effect from 1st April, 1963. Since the next General Revaluation in Northern Ireland is not due to take effect until April, 1966, there will be a period of at least three years in which 75 per cent de-rating in Northern Ireland will operate alongside complete re-rating in Great Britain. The Government of Northern Ireland has proposed that 75 per cent. industrial de-rating should be retained in Northern Ireland after the next General Revaluation, but it is not possible to forecast what the effect of this will be until decisions have been taken on other aspects of valuation policy, e.g., the treatment of commercial buildings and dwelling houses.

##### *Coal Subsidy*

3. A subsidy of £750,000 a year is distributed among industrial users of coal (or gas or electricity produced from coal) who use at least 50 tons of coal (or equivalent) per annum.

### *Capital Grants*

4. All industrial undertakings which qualify for capital allowances under the Income Tax Act in respect of industrial buildings are eligible for grants of 33½ per cent. (increased from 25 per cent. in 1959) in respect of capital expenditure on (a) new or second-hand plant and machinery or (b) new buildings or improvements to existing buildings. Provided the firm qualifies as productive or processing industry and the expenditure is admitted by the Inland Revenue the grant is normally paid without any requirement as to approval of schemes, location, employment, etc. There is a scheme for repayment (or reduction of subsequent grants) in respect of the receipts from assets disposed of in the same year as grant is paid or in the following year.

Expenditure in the financial year 1961-62 was £4½ million.

5. Grants to firms which commenced production after 1956 are limited in each year to £130,000 in respect of plant, etc., and £70,000 in respect of buildings. The object of this limitation is to enable the Government to take account of employment and any other factors involved in new projects requiring heavy capital expenditure, which can be dealt with individually under the New Industries Scheme. New firms and existing firms undertaking expansions which give additional employment may choose between their entitlement to assistance under this scheme and an offer under the New Industries Scheme.

### *New Industries (Industries Development Acts)*

6. Some or all of the following are offered to new industries or expansions of existing industries involving additional employment. The precise make-up of the offer varies according to the needs of the firm and the Government's assessment of its desirability in relation to employment, location, prospects of growth, new techniques, etc.

- (a) Grants towards capital expenditure on plant or buildings, normally not exceeding 33½ per cent. may be offered (cf. paragraph 48).
- (b) Grants towards the cost of transferring plant already owned by the firm.
- (c) Grants towards the transfer and housing of key workers and executives.
- (d) Grants towards the payment of interest.
- (e) Loans for fixed investment or working capital.
- (f) The provision of factories.

### *Provision of Factories*

7. In special cases the Government of Northern Ireland has purchased existing premises (usually war-time factories erected by Departments of the United Kingdom Government) and renovated them. The great majority of Government-provided factories are, however, newly built by the Government of Northern Ireland and made available to firms:

- (a) *On rental terms.*—The standard rent is based on the current market value for a 21-year lease, but as a special concession rent may be based on the 1939 value for the first 10 years. Current rates for standard factories run from 1s. 6d. to 2s. 3d. per square foot with a possible concession of about 50 per cent. This scheme applies to factories of standard type which in some cases are built in advance of requirements.
- (b) *On repayment terms.*—In these cases factories are built by the Ministry of Commerce, Northern Ireland, for purchase over a period of years (usually 25 years) by an annual payment calculated to cover capital cost and full current interest. If the case should merit a grant under the Industries Development Act an appropriate reduction is made in the capital and interest to be covered by the annual payments. This scheme is used when the firm so desires or when the factory is non-standard.

Expenditure on factory building in the financial year 1961-62 was £4 million.

### Basic Services for Industry

8. Grants or loans may be given towards expenditure on the basic services required by industrial undertakings; the assistance is usually given direct to the local or public authority concerned rather than to the firm. This power has been used mainly to give special assistance to water and sewerage authorities incurring expenditure for industrial purposes, but it has also been used to assist a major housing development. The power is used mainly but not exclusively for new industry.

The expenditure, which varies considerably from year to year, has amounted to £650,000 over the last five years.

### Other Aids to Industry

9. In addition to the aids to industry described above a variety of other forms of aid are given:

- (a) *Housing of Key Workers.*—Grants of £400 are given towards the cost of erecting houses required for workers certified as key workers for any industry. Expenditure amounts to a few thousand pounds a year.
- (b) *Training.*—Training schemes are operated either in employers' premises or at Government Training Centres by the Ministry of Labour and National Insurance in connexion with new industries and occasionally to deal with shortages in existing industry. Expenditure over the last five years has amounted to £400,000.
- (c) *Transfer to Key Workers.*—The same Ministry has recently introduced a scheme for giving financial assistance towards the transfer of key workers from Great Britain to Northern Ireland in connexion with the establishment of new industries. This will partly supersede similar grants noted under 6 (c).
- (d) *Guarantees.*—The Ministry of Finance may guarantee loans (up to a maximum of £2,500,000 a year) for the purpose of facilitating the reconstruction or development of industries in Northern Ireland. Loans totalling £105,000 have been guaranteed in the last five years.

## APPENDIX X

TABLE I

*Occupational Analysis of Wholly Unemployed Persons Aged 18 and Over at 12th March, 1962—Northern Ireland<sup>(1)</sup>*

Occupations (abbreviated descriptions)	Belfast L.O. area only			All Northern Ireland		
	Men	Women	Total	Men	Women	Total
<i>I. Builders, decorators, etc.</i>						
General foreman ... ..			297	594		594
Carpenter, joiner ... ..	14		14	161		161
Bricklayer ... ..	20		20	39		39
Handyman, etc. ... ..	4		4	34		34
Mason ... ..	40		40	49		49
Slater, tiler, etc. ... ..	30		30	152		152
Plasterer ... ..	157		157	414		414
Painter, etc. ... ..	96		96	168		168
Plumber ... ..	22		22	39		39
Pavior, road surface layer, etc.	99	3	102	296	3	299
Others ... ..	251		251	730		730
Builder's labourer ... ..	231		231	325		325
Helpers (miscellaneous) ...						
Totals ... ..	1,261 (658)	3	1,264	3,001 (1,611)	3	3,004

(1) Totals of time-served craftsmen shown in parentheses.

Occupations (abbreviated descriptions)	Belfast L.O. area only			All Northern Ireland		
	Men	Women	Total	Men	Women	Total
<b>2. Shipbuilders, boilermakers</b>						
Plater ... ..	174		174	196		196
Riveter ... ..	102		102	104		104
Holder-up ... ..	59		59	63		63
Iron caulker ... ..	79		79	86		86
Driller, machinist ... ..	87		87	95		95
Shipwright ... ..	140		140	161		161
Others ... ..	64		64	93		93
Helpers (miscellaneous) ... ..	347		347	364		364
Totals ... ..	1,052 (705)		1,052	1,162 (798)		1,162
<b>3. Engineers, etc.</b>						
Patternmaker ... ..	2		2	3		3
Founder and moulder ... ..	19		19	28		28
Smith, etc. ... ..	22		22	48		48
Welder, burner, cutter ... ..	188		188	232		232
Brass finisher, coppersmith, etc. ... ..	9		9	20		20
Sheet metal worker ... ..	102		102	111		111
Electrician, wireman, etc. ... ..	116		116	251		251
Crane driver, etc. ... ..	54		54	159		159
Fitter—						
Aircraft metal fitter, etc. <sup>(1)</sup>	135		135	206		206
Maintenance (not electrical)	11		11	24		24
Other <sup>(2)</sup> ... ..	136		136	304		304
Electrical ... ..	9		9	16		16
Assembler (motor, etc.) ... ..				10		10
Turner, iron and steel ... ..	17		17	22		22
Machinist—						
Tool-setter, etc. ... ..	41		41	66		66
Other ... ..	38		38	229		229
Others ... ..	49	49	98	213	76	289
Helpers (miscellaneous) ... ..	256		256	302		302
Totals ... ..	1,204 (861)	49	1,253	2,244 (1,500)	76	2,320
<b>4. Vehicle and aircraft body builders</b>						
Aircraft body builder, etc. ... ..	40		40	47		47
Others ... ..	11	8	19	20	8	28
Helpers ... ..				1		1
Totals ... ..	51 (40)	8	59	68 (47)	8	76
<b>5. Cabinet makers, upholsterers, etc.</b>						
Cabinet maker ... ..	30		30	61		61
French polisher ... ..	23		23	43	1	44
Upholsterer ... ..	35	21	56	49	25	74
Others ... ..	9		9	20		20
Helpers ... ..				1		1
Totals ... ..	97 (88)	21	118	174 (153)	26	200

(1) Toolmakers and "precision" fitters, if unemployed, are included here.

(2) Motor mechanics, if unemployed, are included here.

Occupations (abbreviated descriptions)	Belfast L.O. area only			All Northern Ireland		
	Men	Women	Total	Men	Women	Total
<b>6. Sundry workers in metal</b>						
Textile machinery, fittings, etc., maker ... ..	9	1	10	9	1	10
Others ... ..	15	19	34	102	53	158
Helpers ... ..				3		3
Totals ... ..	24	20	44	114	54	168
<b>7. Laundry, domestic (hotel and private), etc., workers ... ..</b>	279	852	1,131	743	2,505	3,248
<b>8. Clerical workers, etc. ... ..</b>	412	703	1,115	895	1,453	2,348
<b>9. Transport, storage, etc., workers</b>						
Horse driver, etc. ... ..	3		3	8		8
Motor, tram, bus driver, etc.	389	2	391	1,233	3	1,236
Seaman, etc. ... ..	110	1	111	296	1	297
Porter, messenger, etc. ...	17		17	35	1	36
Packer, storekeeper, etc. ...	90	284	374	320	422	742
Others ... ..	19	2	21	57	3	60
Miscellaneous labourers ...	41	10	51	89	15	104
Totals ... ..	669	299	968	2,038	445	2,483
<b>10. Farm, forestry, garden, etc., workers... ..</b>	35	10	45	2,737	44	2,781
<b>11. Quarry, brick, tile and pottery workers, etc.</b>						
Quarryman, etc. ... ..	1		1	18		18
Pottery worker ... ..				10	14	24
Brick, etc., maker ... ..	5		5	19		19
Others ... ..	3	2	5	84	5	89
Miscellaneous labourers ...	10		10	101		101
Totals ... ..	19	2	21	232	19	251
<b>12. Chemical workers, match makers, etc. (including helpers)</b>	8	17	25	18	25	43
<b>13. Paper makers, printers, etc.</b>						
Paper mill worker ... ..		2	2	1	2	3
Compositor, printer, etc. ...	6	34	40	15	38	53
Others ... ..	2	63	65	5	92	97
Totals ... ..	8	99	107	21	132	153

Occupations (abbreviated descriptions)	Belfast L.O. area only			All Northern Ireland		
	Men	Women	Total	Men	Women	Total
<i>14. Textile, hosiery and rope workers<sup>(1)</sup></i>						
Flax scutchers, etc. ...		1	1	25	4	29
Flax roughers, sorters, hecklers, drawers, rovers, etc. ...	6	69	75	39	163	202
Spinners, twistors, etc. ...	6	253	259	31	480	511
Winders, warpers, pattern-cutters, harness mounters, etc. ...	6	166	172	27	450	477
Weavers, etc. ...	5	43	48	99	237	336
Bleachers, printers, finishers, etc. ...	13	14	27	71	42	113
Rope, cord, twine, net makers	1	75	76	3	78	81
Others ...	28	249	277	100	626	726
Textile labourers ...	81	72	153	177	110	287
Totals ...	146	942	1,088	572	2,190	2,762
<i>15. Stitchers, clothing workers, etc.</i>	26	271	297	96	1,279	1,375
<i>16. Food, drink, tobacco workers</i>						
Food and confectionery worker ...	35	73	108	161	279	440
Drink worker ...		4	4		4	4
Tobacco worker ...	4	288	292	5	342	347
Food, etc., labourers... ..	21	7	28	92	10	102
Totals ...	60	372	432	258	635	893
<i>17. Boot, etc., makers and repairers, tanners, etc. ...</i>	29	12	41	102	54	156
<i>18. Shop assistants, etc. ...</i>	170	446	616	467	1,086	1,553
<i>19. Sundry ...</i>	176	82	258	335	215	550
<i>20. General labourers</i>	3,446	76	3,522	9,981	366	10,347
Grand totals ...	9,172 (2,352)	4,284	13,456	25,258 (4,109)	10,615	35,873

Workers who are qualified for more than one occupation are entered in the return once only in respect of their usual or primary occupation.

(<sup>1</sup>) Except in the first two items workers on other fibres and fabrics are included as well as workers in flax and linen.



TABLE II

*Analysis of Part of Northern Ireland Live Register—Wholly Unemployed Insured Persons Including Non-Claimants and Casuals—According to Date on which Persons last came on Register*

At Monday 12th March, 1962

Spell <sup>(1)</sup>	MALES									FEMALES									Totals	(2) Cum. Per cent.
	Under 18	18-24	25-34	35-44	45-54	55-64	65 & Over	Total	(2) Cum. Per cent.	Under 18	18-24	25-34	35-44	45-54	55-59	60 & Over	Total	(2) Cum. Per cent.		
Over 5 years	—	3	26	55	85	145	—	314		—	1	3	8	15	15		42		356	
4-5 years ...	—	5	17	31	59	114	1	227		—	6	4	7	19	20		56		283	
3-4 years ...	—	8	40	77	105	161	3	394		—	6	11	22	36	41		116		510	
2-3 years ...	1	53	99	127	193	266	4	743		—	16	16	46	89	43	1	211		954	
1-2 years ...	15	172	356	467	455	581	14	2,060	14	6	104	220	127	150	108	5	720	10	2,780	13
39 weeks to																				
1 year ...	24	153	306	372	361	443	12	1,671		13	165	230	113	133	54	3	711		2,382	
26-39 weeks	43	300	447	528	460	498	20	2,296	29	50	408	460	192	206	106	1	1,423	29	3,719	29
13-26 weeks	235	1,079	1,241	1,252	1,104	962	28	5,901	50	158	929	769	278	316	131	3	2,584	51	8,485	51
8-13 weeks...	209	900	897	794	722	597	10	4,129	66	153	558	371	178	181	61	2	1,504	64	5,633	65
6-8 weeks ...	117	383	356	293	264	214	6	1,633		122	367	250	102	88	35		964		2,597	
4-6 weeks ...	121	488	445	395	309	235	2	1,995	79	98	339	216	107	92	37		889	81	2,884	80
2-4 weeks ...	169	528	540	407	351	258	10	2,263	88	143	395	245	118	120	36		1,057	90	3,320	88
Up to and including 2 weeks ...	219	704	766	649	578	434	12	3,362		148	481	211	153	130	45	4	1,172		4,534	
Totals ...	1,153	4,776	5,536	5,447	5,046	4,908	122	26,988		891	3,775	3,006	1,451	1,575	732	19	11,449		38,437	

(1) Last spell of registered unemployment. 2-4 weeks means more than 2 weeks but not more than 4 weeks, etc. Registration is not necessarily interrupted by short spells of employment lasting not more than 3 days each. Figures for "temporarily stopped" claimants (such stoppages do not last longer than 6 weeks at the outside) are excluded from the above table.

(2) The "cumulative percentage" columns show the numbers on the register, expressed as a percentage, who have been unemployed for more than one year, 26 weeks, 13 weeks, 8 weeks, 4 weeks and 2 weeks respectively.

Source: Ministry of Labour and National Insurance, Northern Ireland.

TABLE III  
Occupational Analysis—Wholly Unemployed Adults  
at 11th December, 1961—Great Britain

Occupation group	Men	Women
Farmworkers, fishermen, etc. ... ..	5,159	352
Miners and quarrymen ... ..	494	
Gas, coke and chemical makers ... ..	178	214
Glass workers ... ..	76	84
Pottery workers ... ..	82	96
Furnace, forge, foundry, rolling mill workers ... ..	984	90
Electrical and electronic workers ... ..	1,950	77
Engineering and allied trades workers ... ..	13,567	2,540
Woodworkers ... ..	2,309	47
Leather workers ... ..	568	274
Textile workers ... ..	799	2,137
Clothing, etc., workers ... ..	915	2,400
Food, drink and tobacco workers ... ..	640	780
Paper and printing workers ... ..	356	570
Building material workers ... ..	105	37
Makers of products not elsewhere specified ... ..	352	270
Construction workers ... ..	3,682	3
Painters and Decorators ... ..	5,739	92
Drivers, etc., of stationary engines, cranes, etc. ... ..	1,879	24
Transport and communication workers ... ..	17,306	3,033
Warehousemen, packers, etc. ... ..	2,794	2,210
Clerical workers ... ..	20,993	14,020
Shop assistants... ..	4,097	8,994
Service, sport and recreation workers ... ..	11,581	18,885
Administrative, professional, technical workers ... ..	13,650	2,201
( <sup>1</sup> )Labourers/other workers ... ..	140,002	27,023
Total ... ..	250,257	86,453

(<sup>1</sup>) In the case of men this category includes "general labourers", "factory hands" and "other labourers". In the case of women the category is described as "other workers" and includes "factory hands", "charwomen, cleaners" and "miscellaneous unskilled workers".

*Condensed from Ministry of Labour Gazette—February 1962.*

**TABLE IV**  
*Analysis of Part of Great Britain Live Register—Wholly Unemployed Insured Persons Including Non-Claimants—  
 According to Date on which Persons last came on Register*  
 At Monday, 11th December, 1961

Spell <sup>(1)</sup>	MALES								<sup>(2)</sup> Cum per cent	FEMALES								<sup>(2)</sup> Cum per cent	Totals	<sup>(2)</sup> Cum per cent
	Under 18	18-24	25-34	35-44	45-54	55-64	65 and over	Total		Under 18	18-24	25-34	35-44	45-54	55-59	60 and over	Total			
Over 1 year ...	83	1,032	3,267	5,774	8,577	20,849	629	40,211	16	77	579	910	1,158	2,130	1,921	72	6,847	7	47,058	13
39 weeks to 1 year ...	59	490	1,363	1,712	2,172	4,567	211	10,574		46	486	543	495	690	501	35	2,796		13,370	
26-39 weeks ...	125	953	1,990	2,664	2,843	5,385	251	14,211	25	85	882	900	785	964	573	49	4,238	15	18,449	23
13-26 weeks ...	595	3,213	5,567	5,973	5,785	8,870	458	30,461	37	398	2,797	2,475	1,932	2,166	1,159	143	11,070	27	41,531	35
8-13 weeks ...	634	4,959	6,805	6,273	5,956	8,589	485	33,701	50	700	3,802	3,010	2,554	2,777	1,349	197	14,389	43	48,090	48
6-8 weeks ...	496	3,194	4,045	3,676	3,104	3,466	217	18,198		457	2,434	1,750	1,553	1,582	677	99	8,552		26,750	
4-6 weeks ...	852	4,456	5,577	4,531	3,760	4,021	312	23,509	67	748	3,378	2,645	2,146	1,965	835	141	11,858	65	35,367	66
2-4 weeks ...	1,610	6,683	7,617	5,960	4,675	3,982	297	30,824	79	1,144	4,056	2,973	2,318	2,141	833	145	13,610	80	44,434	79
Up to and including 2 weeks ...	4,213	13,590	13,607	9,954	7,355	5,675	440	54,834		2,731	6,002	3,704	2,715	2,639	941	172	18,904		73,738	
Totals ...	8,667	38,570	49,838	46,517	44,227	65,404	3,300	256,523		6,386	24,416	18,910	15,656	17,054	8,789	1,053	92,264		348,787	

(1) Last spell of registered unemployment. 2-4 weeks means more than 2 weeks but not more than 4 weeks, etc. Registration is not necessarily interrupted by short spells of employment lasting not more than 3 days each. Figures for "temporarily stopped" claimants (such stoppages do not last longer than 6 weeks at the outside) and casuals are excluded from the above table.

(2) The "cumulative percentage" columns show the numbers on the register, expressed as a percentage, who have been unemployed for more than 1 year, 26 weeks, 13 weeks 8 weeks, 4 weeks and 2 weeks respectively.

*Condensed from Ministry of Labour Gazette—January, 1962*

## APPENDIX XI

## TABLE

## Comparison of Public Investment in Great Britain and Northern Ireland

	1956-57			1957-58			1958-59			1959-60			1960-61			1961-62 estimate			1962-63 estimate			
	GB	NI	NI per cent GB	GB	NI	NI per cent GB	GB	NI	NI per cent GB	GB	NI	NI per cent GB	GB	NI	NI per cent GB	GB	NI	NI per cent GB	GB	NI	NI per cent GB	
	£m	£m		£m	£m		£m	£m		£m	£m		£m	£m		£m	£m		£m	£m		
Electricity ...	239	5.9	2.5	273	6.2	2.3	300.1	6.0	2.0	357.2	5.5	1.5	336.0	4.7	1.4	362.8	4.6	1.3	396.5	7.5	1.9	
Roads ...	17	1.7	10.0	29	2.1	7.2	58.4	3.0	5.1	72.8	3.5	4.8	82.5	6.3	7.6	97.6	5.9	6.0	113.5	7.0	6.2	
Universities ...	7	0.6	8.6	10	0.4	4.0	14.7	0.5	3.4	20.0	0.3	1.5	20.4	0.6	2.9	25.3	0.6	2.4	27.0	1.1	4.1	
Education ...	93	4.1	4.4	105	4.8	4.6	119.6	3.1	2.6	118.2	3.7	3.1	121.8	4.3	3.5	134.2	4.7	3.5	142.4	4.6	3.2	
Housing ...	320	6.1	1.9	292	5.3	1.8	271.3	4.5	1.7	286.5	4.5	1.6	280.0	6.6	2.4	273.0	7.6	2.8	272.0	9.6	3.5	
Water and sewerage	57	3.5	6.1	59	3.5	5.9	62.5	3.4	5.4	72.6	3.3	4.5	76.1	2.7	3.5	94.8	2.9	3.0	105.9	2.5	2.4	
Local authority health and wel- fare services ...		0.2			0.2		6.7	0.3	4.5	11.0	0.6	5.5	13.4	0.5	3.7	17.5	0.7	4.0	22.2	1.2	5.4	
Hospital services...	16	2.0	12.5	21	2.6	12.4	24.4	2.6	10.7	26.3	2.7	10.3	30.3	2.3	7.6	38.3	2.8	7.3	43.4	3.5	8.1	
Forestry ...		0.3			0.3			0.4		2.7	0.3	11.1	3.4	0.2	5.9	3.3	0.2	6.1	3.4	0.2	5.9	
Factory building ...		3.1			3.7		1.5	3.5	233.3	5.5	3.0	54.5	7.0	3.7	52.9	8.0	3.7	46.2	10.0	5.5	55.0	
Government build- ing ...		0.4			0.4		9.8	0.4	4.1	8.7	0.6	6.9	12.2	1.0	8.2	13.5	1.6	11.9	15.0	1.5	10.0	
Total ...	749	23.9	3.2	789	24.9	3.2	869.0	27.3	3.1	981.5	28.0	2.9	983.1	32.9	3.3	1,068.3	35.3	3.3	1,151.3	44.2	3.8	
Population propor- tion ...	49,812	1,396	2.8	50,057	1,398	2.8	50,278	1,402	2.8	50,578	1,407	2.8	50,963	1,420	2.8	51,250	1,425	2.8				

## Note:

This table compares public sector investment in Northern Ireland with that in Great Britain on the items for which figures are available. For 1959-60 the comparison covers £26.3 million out of the £29 million public investment in Northern Ireland. For 1956-57, 1957-58 and 1958-59, the "total" figure covers only those items for which figures are available in the Great Britain column.

Sources: The Great Britain figures for 1956-57 and 1957-58 are from the Economic Survey, 1959 (Cmd. 708); those for 1958-59 to 1962-63 from the White Papers on Public Investment in Great Britain for 1960 and 1961 (Cmd. 1203 and 1522).

The Northern Ireland figures are taken from the Annual Summary of the Investment Programme except those for Forestry, Factory Building and Housing which were not split between private and public in the Investment Programme and were therefore obtained from the Ministries concerned.

## THE DISTRIBUTION OF INDUSTRY IN NORTHERN IRELAND

1. Northern Ireland has its own problems of regional development and the distribution of industry. There is a natural tendency for industry to concentrate in Belfast or within easy access of the main east coast ports. This is partly due to transport considerations but also to the economic and social attractions of an established industrial area. In some cases the size and composition of the labour force required by a new industry preclude its establishment away from the Belfast area; in others the industrialist requires access to facilities for higher technical education or to sub-contractors, or sees difficulty in persuading executives and technicians to settle outside a large town. The Government of Northern Ireland in such cases has the option of accepting the establishment of the firm in or near Belfast or losing it altogether.

2. The decline in agricultural employment and the fact that a fair proportion of the linen industry has always been located in country areas give rise to unemployment in those areas. It has been the policy of the Government of Northern Ireland as far as possible to encourage industry to settle away from Belfast itself and further to establish suitable industries outside the larger industrial area round Belfast Lough and the Lagan Valley. To this end somewhat more generous terms may be offered to firms choosing a country location, and a Government factory may be offered with less onerous requirements as to the labour to be employed.

3. In practice the distribution of new industry has not hitherto been greatly out of line with the distribution of population and unemployment. The Belfast area containing 37 per cent. of the population and 40 per cent. of the unemployed register (October 1961) has received 41 per cent. of new industry in terms of employment. The wider industrial belt formed by Belfast Lough and the Lagan Valley containing 55 per cent. of the population and 51 per cent. of the unemployed has received 60 per cent. of new industry. This discrepancy, however, becomes more marked if foreseeable employment in industries which have not yet built up their labour forces is included; the proportion then becomes 67 per cent. It is clear that there is a tendency for industry to require a location within the industrial belt referred to above, especially for industries employing a reasonable proportion of men. It cannot be said, however, that the problem of excessive industrial concentration with its adverse social, and possibly economic effects, exists in Northern Ireland as it does in Great Britain. Even if it were practicable, a policy of wider dispersal would involve higher grants and therefore increase the cost of Government aid to industrial development.

4. It has been suggested that the development of industry has been hampered by the activity of housing authorities in providing new houses where the population is now located, rather than near to towns where industrial employment might be provided. We have made enquiries into this question. The distribution of Northern Ireland's post-war houses has had to take into account the Ulster tradition which favours scattered development; farms are small and the farm workers, small tradesmen, teachers, postmen, busmen, etc., who serve the rural community, are necessarily more widely spread than would be the case in a country of large farms and traditional village life. The Government of Northern Ireland has done its best to hold a balance between the desire of rural dwellers to have new homes near where they work and the desirability of grouping houses in or near centres of population. The great majority of houses built in rural districts since 1945 have been added to existing communities.

5. The provisional 1961 Census figures of total inhabited houses suggest that the 42,000 new houses in rural areas have led to the abandonment of over 25,000 unfit rural houses. Over 25,000 new houses have been built in the rural districts which abut on Belfast while the abandoned houses tend to be in more remote areas. When the building in Belfast and nearby urban areas (31,136 houses) is taken into account, it is clear that a major population movement to areas offering better employment prospects and a fuller communal life has taken place since

1944, and that this movement has been made possible by the provision of these additional houses.

6. So far as housing to facilitate industrial development is concerned, it is felt that, through the combined efforts of local authorities, the Housing Trust and private enterprise, there has been no major difficulty in catering for the needs of new industry. The Northern Ireland Government has always had the co-operation of the Housing Trust or the local authority in building up housing in areas where large new projects were planned; the provision of housing has not been a serious handicap in the development of new industry in any part of Northern Ireland.

## APPENDIX XIII

### HOUSING

1. In this note we discuss in greater detail the case for an increase in the housing programme and the difficulties which appear to prevent it. (Report, paragraphs 92-95.)

2. The average number of houses built annually in Northern Ireland during the period between 1956 and 1960 has been slightly under 6,000. Roughly one-third of these were built by local authorities, a quarter by the Northern Ireland Housing Trust, and rather over a third by private enterprise with the aid of a subsidy. Table I compares the present standards of housing in Northern Ireland with those in England and Wales and in Scotland. Comparison of the number of the families with the number of persons per house shows a relatively unfavourable position in Northern Ireland. Table II compares the target which the Minister of Housing and Local Government would wish to achieve in England and Wales (though present performance falls short of it) compared with the situation to be expected in Northern Ireland if the rate of building could be increased to 10,000 per annum. In England and Wales, if the target is reached, three-fifths of the houses built will be for replacement. The figures for Northern Ireland assume an increase of annual output of 4,000. They show a much greater concentration on slum clearance and replacement. The number of new houses built, however, would not improve the relationship between the number of families and the stock of houses, compared with that in England and Wales.

3. There is room for argument about the average age at which houses should be replaced, but it seems undeniable that there is a strong case on grounds of social need for a substantial increase in the Northern Ireland housing programme. The argument is strengthened by the fact that rents are reasonably high in Northern Ireland compared with those in England and Wales, and much higher than those in Scotland, when relative levels of income are taken into account. The sharing of costs is shown in the following table:

	<i>Local Authorities per cent.</i>	<i>Housing Trust per cent.</i>	<i>Private Enterprise per cent.</i>
Private payments (rents, etc.) ...	51	52.5	89
Public subsidy (Exchequer and rates) ... ..	49	47.5	11

The comparative figures for local authority housing in England and Wales are 71 per cent. for rents, 29 per cent. for public subsidies and in Scotland 32 per cent. rents and 68 per cent. public subsidies. The Scottish Special Housing Association, whose programme is being increasingly devoted to overspill houses, have built houses in the district of local authorities with an urgent housing problem beyond their own resources. Rents cover 37 per cent. of their cost, leaving 63 per cent. to be met by public subsidy,<sup>(1)</sup>

<sup>(1)</sup> The Association's percentage of income attributable to rents will rise in the near future as the result of the progressive review of rents they are presently undertaking; the same is true of the percentage receivable by the local authorities in Scotland, most of whom, in accordance with Government policy, are in process of raising their rents.

4. There are serious difficulties to be overcome if the rate of housebuilding is to be raised, but we are not unanimous in our diagnosis of these difficulties. As the figures in Table III (column 12) show, the rate of completion of houses built by public authorities has fluctuated greatly, although the demand has remained high and steady. Even more significant has been the uneven spacing of contracts placed during this period (column 11) which leads to an uneven flow of work, lower productivity and therefore higher costs. Local authorities in Northern Ireland are peculiarly sensitive to increases in the cost of building, since they are anxious to avoid subsidies from the rates over and above the contribution of 25 per cent. of the total subsidy from public funds, which they are statutorily bound to make. They are less able to meet increased costs by raising rents, since the ratio of pre-war to post-war houses (and therefore the proportion of houses with low pre-war rents) is only 1:7 compared with 1:2 in Great Britain. They therefore try to refrain from placing contracts when they judge the financial climate to be unfavourable.

5. There is a difference of view, however, as to the relative importance of the factors which create an unfavourable financial climate. The Northern Ireland representatives argue that variations in interest rates have been by far the most potent factor: they recognise that the level of help from the Exchequer has been substantially higher than in England and Wales, and comparable with that in Scotland, but consider that the changes in the rate of subsidy have not been sufficiently closely related to changes in the effective cost of houses to induce the local authorities to feel that it would be prudent to place a steady flow of housing contracts. They therefore consider that some means should be devised of varying the rate of Exchequer subsidy in accordance with movements in the rate of interest. This would exempt Northern Ireland from the effects of the general credit policy of the United Kingdom in this respect, but it is argued that there are precedents for such exemption.

6. Other members of the Working Party do not think that variations of interest rates have so marked an effect. They point out that the figures in Table III appear to show that fluctuations in the level of tenders placed by local authorities have corresponded in the past much more closely to changes in the rate of subsidy than to variations in interest rates. They believe that the best way of encouraging the local authorities to increase their programmes is to maintain the existing policy of a relatively high rate of subsidy.<sup>(1)</sup> The increases granted in recent years appear to be achieving their effect, even though they do not offer the same guarantee of stability in the cost of borrowing as would a system of subsidies linked in some way to interest rates.

7. The second difficulty is the shortage of skilled building labour. In recent years, when shipbuilding has been relatively prosperous, there has been a shortage of carpenters, plumbers, electricians and other tradesmen who can find work there; at present (cf. Appendix X, Table I) the main shortage is of bricklayers. This shortage could obviously be eased by training unemployed men, but the building trade unions are unwilling to agree to this. It is suggested that they are motivated by the feeling of uncertainty in the building trade which results from the fluctuation in the level of activity in housing. Other members of the Working Party have pointed out that craft unions are frequently reluctant to see an expansion in their numbers, irrespective of the state of demand, and that the same attitude is shown by the building trade unions in Great Britain. Nevertheless, a larger programme subject to less fluctuation would deprive the unions of an important argument against expansion. We discuss the problem of trade union co-operation in training in Section VII of our report.

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<sup>(1)</sup> The subsidy is £46 9s. a house and there is at present a temporary addition of £11 a house. For 1958 also a temporary addition of £11 a house was granted on a lower maximum of £40 and for 1959 this temporary addition was £5. These temporary additions have been granted from time to time in recent years in order to alleviate difficulties caused by increases in interest rates and building costs.

TABLE I

*The Present Position*

	<i>Northern Ireland</i>	<i>Scotland</i>	<i>England and Wales</i>
Population (1961) ...	1.42 million	5.18 million	46.07 million
Number of households	373,400	n.a.	14.7 million
Houses built			
1919-44 ... ..	51,000	370,000	4,400,000
1944-June 1961 ... ..	92,000	450,000	3,411,000
Present stock of houses ...	385,000	1,633,000	14,600,000
Percentage of present stock—			
Built before 1919 ... ..	63%	50%	47%
Built before 1880 ... ..	43%	31%	25%
Persons per house ... ..	3.81	3.24	3.15

TABLE II

*The Possible Future Position*

	<i>Northern Ireland (Assuming 10,000 houses per annum)</i>	<i>England and Wales (Assuming 300,000 houses per annum)</i>
Assumed population at 1981 ... ..	1,500,000	50,000,000
Number of separate households ... ..	435,000	16,600,000
Assumed building rate		
(a) Replacement ... ..	145,000	6,000,000
(b) General need ... ..	55,000	
Existing stock of houses ... ..	385,000	14,600,000
Loss by slum clearance and obsolescence ...	145,000	3,700,000 <sup>(2)</sup>
Stock at 1981 ... ..	440,000	16,900,000
Persons per household ... ..	3.56	2.86
Persons per house ... ..	3.52	2.94

<sup>(1)</sup> The 1958 Survey showed that out of a stock of 376,000 houses, 95,000 were unfit. Of these 54,000 were incapable of repair and 41,000 repairable. These will all need replacing within a 20-year period and before the end of that period it is considered that at least 50,000 other houses will have become unfit.

<sup>(2)</sup> Estimate assuming the replacement of houses within 100 years after building.



TABLE III

Tables Showing Housing Building Progress by Public Authorities in Northern Ireland  
in Relation to Interest Rates and Subsidies during the period 1954-61

Year	Maximum interest rate	Building Cost (800 sq. ft. house)	Building cost, adjusted for increase in interest rate above 4 per cent.	Subsidy (Exchequer and Rates)	Change in subsidy as at 1954 capitalised	"Effective" building cost, corrected for interest rate and subsidy changes	Weekly rent indicated by			Tenders placed by Public Authorities	Houses completed by Public Authorities
							Col. 3	Col. 4	Col. 7		
1	2	3	4	5	6	7	8	9	10	11	12
1954 ...	Per cent. 4	£ 1,650	£ 1,650	£ s. d. 56 10 0	£ —	£ 1,650	s. d. 12 6	s. d. 12 6	s. d. 12 6	5,218	4,345
1955 ...	5	1,700	2,081	48 0 0	— 193	2,274	13 4	19 10	23 1	3,612	4,221
1956 ...	5½	1,750	2,360	49 7 0	— 162	2,522	14 3	24 7	27 8	2,831	4,443
1957 ...	6½	1,750	2,730	59 7 0	+ 65	2,665	14 3	30 10	29 9	3,027	3,719
1958 ...	6½	1,750	2,541	64 7 0	+ 178	2,363	14 3	27 7	24 7	3,915	2,764
1959 ...	5½	1,750	2,360	56 7 0	—	2,360	14 3	24 7	24 7	3,721	2,380
1960 ...	6½	1,750	2,496	49 7 0	— 162	2,658	14 3	26 10	29 7	3,647	3,478
1961 ...	7	1,930	3,114	70 17 0	+ 325	2,789	17 3	37 4	31 10	5,819	3,697

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