

this happens we may see even greater progress with regard to E.E.C. matters than we see at the moment. I hope that the small farmer can be cushioned from some of the less worthwhile aspects of the E.E.C. agricultural policy.

I feel that in certain areas joint ventures with the Republic may well work out for the best. This can be discussed in the context of the Council of Ireland. For instance, I believe that in general Carlingford Lough is an area which could be developed as a unit. There we have two harbours—Warrenpoint and Greenore, which may well be the best deep water harbour on the east coast of Ireland. Discussions should take place with regard to the improvement of that area on a joint basis and on all other areas where the hinterlands on both sides of the Border are affected by the Border itself.

There are many areas along the Border on one side or the other which have been affected economically by the cutting off of the hinterlands. I am thinking essentially of South Armagh, Dundalk, Derry, Donegal and many other areas. This document heralds a change in the policies that have been put forward by the Government of the North of Ireland. It is a radical document in a lot of ways. It is the fusion of three political, social and economic ideologies which will be for the betterment of all of the people. Instead of the dissipation of talent, which was the case originally in many aspects of our life, the fusion of talent and the people involved in the drawing up of this document will definitely lead to a much better future for all our people.

I believe also, regarding the political situation at present, that instead of the howling, roaring and bawling which we have heard for too long the constructive approach and its fruits which have been outlined in this document will undoubtedly lead to a position where people realise that the only way forward is through co-operation, constructive policies and reconciliation. This is the day I wish to see.

The Chief Executive stated there was a very busy programme for the coming year. I am glad to hear that, because it means that everybody is buckling down to the task of getting the community on its feet again. Working for all our people is something any politician should be proud to do, and according to the document it is going to be done. In my view these policies will lead to peace because in them one sees the start of differentiation between the policies of despair and destruction and the policies of construction. I am sure the Chief Executive and the other Ministers know that there will be quite a few occasions when my querulous voice will be raised about certain aspects of this social and economic document. I am sure that in a short time it will lead to an awareness that the only way we can progress is by living together, by respect for each other's views and by working together for the greater prosperity of our community.

4.17 p.m.

Mr. Hume (Department of Commerce): Partnership, as we have said before, has replaced conflict as the basis of our political and constitutional thinking. New institutions of government have been set up based upon the whole concept of partnership. That is the first step. It is for us now to use those institutions and the powers they give to us to improve the quality of life of our people. We will be judged not by what we say but by what we do. The Chief Minister has clearly, forcefully and unambiguously stated the hopes and aspirations, but, more than that, the clear intentions and objectives of the Executive.

There is one area where our intentions will be watched with great interest and care and where we will be judged by what we do and not by what we say, that is, on the whole economic front. Our stated objectives, which are very clear and to which we are fully committed, are to achieve rising standards of living, sustained full employment, equality of opportunity and social and economic justice.

[Mr. Hume]

We are fortunate in that, although we face quite difficult problems on the economic front in the days ahead, nevertheless we have today a basically strong and resilient economy. The clouds of recession in late 1971 and early 1972 gave way to brighter days as the months rolled by. Against the background of expansionary forces in the United Kingdom and Western Europe as a whole, 1973 turned out to be a most promising year for Northern Ireland, with unemployment falling by almost 10,000 during the 12 months, while manufacturing output rose by some 10 per cent.

Despite these welcome gains unemployment remains a major obstacle to be tackled, not just for economic reasons but also, and perhaps more importantly, because of the human dimension involved. All of us here today know the value of a good job and a decent standard of living. But it is an unfortunate fact of life that there are many in Northern Ireland who do not have—perhaps never have had—this advantage, who know and have known only the dole queue and the struggle to get by on limited resources. Theirs is a sense of frustration, perhaps resentment, perhaps the feeling of rejection.

Theirs is an individual problem. But individuals collectively make up our community, and from the community's point of view such deprivation—that is what unemployment is—means wastage since productive resources—that is, people—are lying idle instead of being able to contribute to the increased wealth and welfare of us all and to the fuller development of themselves.

It is vitally important that we should not underestimate the problems facing us in achieving our objectives. Even apart from the longer-term problems of unemployment the present economic crisis caused by the energy and looming balance of payments situation has once again cast a shadow over our immediate short-term prospects. The current difficulties in the energy field stem from the global shortage of oil—a

factor largely outside the control of individual administrations. Since most electricity is generated from oil in Northern Ireland restriction on consumption has been essential to maintain stocks at power stations at acceptable levels. Within the limits imposed by the oil emergency, restrictions have been designed so as to maintain employment as far as possible. This is why the industrial sector will have priority in the relaxation of restrictions.

Our ability to plan ahead for economic growth is at present bedevilled by uncertainties about the fuel situation, possible material shortages and the question mark that is hanging over the future prospects of the economy as a whole. In the short-term our most pressing need is to improve our industrial fuel supplies. The present position is that industry in general is working on 65 per cent. of its normal use of electricity. Many firms are managing to operate near-normal hours within this limit and there has been widespread confirmation that the system is far more flexible and helpful to employment than the three-day week in Britain. We cannot, however, continue indefinitely at this level without major problems arising, and everything possible is being done to improve our electricity and oil reserves to a level which would justify an increase in the present allocation.

One hears reports and rumours that there is plenty of oil about, and if this were true it would be difficult to justify continuing restrictions on the use of electricity. Unfortunately the information available to me does not support such rumours. With the present restrictions we expect to end this month with about five weeks electricity oil stock, perhaps a little more because of the recent mild weather but still no more than we would normally regard as the minimum safe margin of stocks for this time of year. While this remains the position, and as long as it is impossible for us to guarantee the level of future oil deliveries, I believe it would be irresponsible to make a general relaxation in our restrictions.

I may say that the position would be different if it were decided to increase the industrial allocation in Great Britain, because then there would be a clear onus on the United Kingdom Government to ensure that our oil stocks were maintained sufficiently to allow us to operate at the higher level even if this involved exceptional deliveries to Northern Ireland from the oil available. I do not see how, on the other hand, we can argue persuasively for more than our fair share of the oil available unless the situation I have just described arises. I can give Members a categorical assurance that I do not intend to let Northern Ireland industry fall behind Great Britain in electricity supplies.

Nor, of course, do I rule out the possibility of moving ahead of Great Britain as and when our oil supply situation makes this a practicable proposition and assuming the coal problem to be still unsolved. The point to be understood is that this situation has not yet arrived. To this end I remain very concerned indeed that we do everything possible to improve our present stock position. The need for economy is now greater than ever if we are to achieve this aim and have increased consumption by industry.

In these circumstances our stated aim in the Statement of Aims which we have published of reviewing energy needs, and resources will be pursued with urgency. This review will extend to every aspect of the energy field and will include electricity, gas, oil, nuclear power, peat and water power. In this context we will also be paying particular attention to mineral development both on and off shore. Already my Department is considering the short-term and long-term opportunities available to Northern Ireland from off-shore oil activity around these islands. To this end a working relationship has been established with the Department of Trade and Industry, the Department of Energy and other bodies to monitor all aspects of development. The energy

field is an obvious one in which there must be close co-operation with the Republic, to our mutual benefit.

My Department, in conjunction with the Northern Ireland Finance Corporation, is at present undertaking a promotional drive in the U.S.A. to attract additional oil equipment manufacturing companies to Northern Ireland in order that they might take advantage of any mineral and oil development off our shores and off the shores of these islands, and in order that the people of Northern Ireland might also be able to benefit from such development. Later it is hoped to mount a seminar for local companies in order to put before them the opportunities for specialist and non-specialist supplies.

So far the effects of the energy situation have been short-term. It is difficult to foresee what the implications for the economy of the longer-term repercussions, such as higher oil prices, will be. It is important, however, that we should strike a correct balance and not underestimate the considerable assets at our disposal, not least among which are our own capabilities. Over the last few years the economic statistics have demonstrated that when it comes to the job in hand, this community has the ability to get down to it and put its back into the work regardless of what is going on outside. Faced with the difficult job which lies before us, it is our duty to harness this goodwill to serve the whole community and to forge ahead on the road to economic prosperity.

Our Social and Economic Aims paper has given a pointer for the future. It is a mixture of the old and the new, refinement and experimentation. Certainly we shall not discard traditional methods which have proved their worth; similarly we shall not hesitate to implement the new simply because it is novel. Now is not the time for dogmatism or intellectual soul-searching as to whether or not this or that particular policy is to the Right or to the Left;

[Mr. Hume]

rather, policies must be and will be chosen on the simple practical criteria of whether or not they will help to reduce unemployment and increase the living standards of the community as a whole.

Mr. O'Hanlon, in his speech, mentioned the need for flexibility in the approach to problems of unemployment. That is precisely what underlines our attitude and our policy. We are prepared to use whatever means will succeed in reducing unemployment. We are fortunate, for example, in already having at our disposal a comprehensive and flexible system of industrial development with a proven success record and within which there is already a significant degree of unconventionality, if I could use that term. The traditional methods for assisting existing firms to expand and attracting new investment projects are well known and have led to the establishment of firms, some of whose names seem to read like an international "Who's Who" in the field of industrial activity: Courtaulds, I.C.I., Goodyear, Ford Motor Company, Du Pont, Grundig, Monsanto, Carreras and Michelin, to name but the front runners.

Firms like Courtaulds can invest £25 million in one project—as they propose to do during the first phase—I repeat "first phase"—of their project at Derry and can represent, in terms of group investment, investment programmes running into hundreds of millions of pounds over fairly short periods in Northern Ireland. I mention this to illustrate that whatever policies we may pursue on the public front it is to the private sector that we must necessarily look for the major part of new investment and employment.

The needs of smaller-scale, especially locally-based, industry have also been identified and since 1971 we have had the Local Enterprise Development Unit, the efforts of which have been aimed directly at providing financial and technical assistance to small companies. The decision to set up L.E.D.U. was a bold and imaginative step when it was

taken in 1971 and has since been fully justified through the promotion of almost 3,000 new jobs. Certainly in many parts of Western Europe such a body would not be termed conventional.

A year later, in 1972, a second unconventional industrial development body, the Northern Ireland Finance Corporation, was set up. Originally established for the immediate task of saving jobs, it has now moved into a more constructive role of providing financial assistance and encouraging investment through the growth of existing industry, the attraction of new industry and the provision of venture capital.

The success of these efforts is evidenced by the promotion of almost 10,000 new jobs in 1973, including L.E.D.U., the highest figure ever for new job promotions in any one year. It is particularly encouraging that no fewer than 67 per cent. of the total number of jobs promoted were for traditionally high unemployment areas, like Derry and Newry.

This is a solid base on which to build for the future. Indeed, our stated aim in the field of industrial development is to obtain the maximum employment opportunities throughout Northern Ireland. The achievement of this aim will call for the harnessing of every effort, every energy and every practical means at our disposal. At the same time it is clear that our unemployment problem as a whole is too intractable to rely solely on conventional measures. While we already have machinery which has proved its flexibility and has increasingly been capable of adopting unconventional approaches to the problems of unemployment, this will be kept under continuous review and modified and extended as required. In particular, we shall be examining what further possible means of a practical nature are open to us for the achievement of our objectives.

The involvement of the State in industry in Northern Ireland is, of course, not new. We have already travelled down this road. There are, for one

thing, the major shareholdings held by my Department in the shipbuilding firm of Harland and Wolff and the major engineering concern of International Engineering Limited. In addition, the Northern Ireland Finance Corporation has acquired an equity stake in such companies as the Ben Sherman Group, Regna International Limited and G. H. Patents Limited—in the latter two cases, 100 per cent. of the equity. Then there is the fact that the Westminster Government largely own Short Brothers and Harland Limited. Finally, in this context, there is the 100 per cent. public financing scheme which is available for suitable projects in high unemployment areas.

It is clear that Government involvement in industry can take several forms. I personally see the whole concept of State industry not in terms of inflexible political dogma but rather as a possible way—and a potentially valuable method at that—of both maintaining employment and creating new employment opportunities. In the past the emphasis of the State intervention measures which have been introduced has been on protecting and maintaining employment, particularly in important sectors of our economy. What we now need to do is to look more to the development of State participation as a means for the setting up of new projects which will provide worthwhile employment, particularly in the unemployment black spots of the Province.

A recent example of such a venture is the recently announced electronics project for West Belfast—Strathearn Audio Limited, a project in which the Finance Corporation has been involved since its inception and in which it is a major shareholder. It is in this positive and imaginative sort of way that I see the concept of State industry being developed in the future. In this context, and as part of our continuing review of our industrial development incentives and other schemes of assistance to industry, we must decide during the next

few months the future role of the Finance Corporation, whose statutory life expires on 31 March, 1975.

While, however, considerable progress has clearly been made in dealing with the problem of unemployment in Northern Ireland, no one would deny that as yet we have been unable to break the back of the unemployment problem in particular areas. We must not underrate the continuing difficulty of getting a satisfactory level of investment and job opportunities in areas such as Strabane and West Belfast. Indeed, the overall effort will continue to be seriously handicapped as long as there is reluctance, for whatever reason, for individuals and families to become more mobile.

But these are problems which simply have to be faced up to. My Department already has extensive powers to assist development in these areas, including the possibility, as I have indicated, of up to 100 per cent. public financing. Certainly I was glad to find that not only was my Department fully aware of the particular difficulties in these areas but had already commissioned special studies by consultants to assist the Department in actively seeking out suitable projects in West Belfast and Strabane.

These consultancy studies are designed to identify projects and products that can be produced in these areas; to work out projects and then to find people who will produce them; otherwise the State itself would produce them. This is the intention in this practical method of going about solving the unemployment problem in black spots such as Strabane and West Belfast. When these studies are completed I will be looking closely at the results. It may well be that we shall have to adopt unconventional methods to find the solutions to these particular problems and, if necessary, we shall do so.

One point I must make is that we are not entirely masters in our own house

[Mr. Hume]

on the question of assistance to industry. In addition to the normal financial constraints, involving agreement with the U.K. Government within our overall financial arrangements, there is the new factor of E.E.C. membership and the various rules of competition within which we will be expected to operate. I give my personal assurance that I will fight long and hard for the funds we need and for the flexibility of operation which we also need to secure our industrial objectives.

Important as our industrial development problems are, we must not, however, allow ourselves to become solely preoccupied with what is happening within Northern Ireland. Looking to the more positive side of membership of the E.E.C., we must look beyond our immediate geographical boundaries to the opportunities in the wider "home" market of nearly 300 million people. Nor must we allow ourselves to be blinded to these opportunities by the current major difficulties and particularly the uncertainties surrounding the setting up within the Community of a Regional Development Fund.

If the Member States can agree on a strong regional policy with adequate supporting funds, then that can only be to the long-term benefit of Northern Ireland. Nevertheless it has to be recognised that access to E.E.C. funds was not the prime reason for the decision to seek full membership of the Community. Rather it was because of the long-term increased trading opportunities which entry would afford to those firms prepared to make the effort to exploit them. It is noteworthy that in the first 13 years of the existence of the E.E.C. industrial production in the Community as a whole increased by 116 per cent, compared with 45 per cent. in the U.K. and 79 per cent. in the U.S.A. Over the same period the gross national product of the E.E.C. increased in real terms by 86 per cent. compared with the U.K.'s 40 per cent. and 61 per cent. in the U.S.A. Since enlargement the Community has become an economic

super-power, with a combined gross national product second only to that of the United States. It is hard evidence of this kind which supports the assertion that the opportunities are there. And it is against this background of potential for increased sales—and through sales increased production and employment in Northern Ireland—that my Department will continue to assist in every way possible those firms which actively seek to exploit the opportunities before them.

Tourism is another sector of our economy where I feel greater development is possible. The natural growth of the industry has inevitably been halted by the general state of the country and the image which has been projected in Great Britain and abroad. Nevertheless I am convinced that there is here an opportunity for worthwhile expansion, an opportunity which must be grasped.

Much will depend on the skill and energy of the Northern Ireland Tourist Board, and I look forward to early discussions with the chairman and Board members on the prospects for development. The Board has been recently reconstituted and my Department will continue to give it full support in its efforts to keep Northern Ireland on the tourist map. The recent visit to Northern Ireland of the European managers of the British Tourist Authority—their first for five years—was a most useful step in this direction.

It is also most encouraging to find that, despite the bombings, many hotels and guest-houses are expanding their accommodation and facilities and there is a healthy number of inquiries about new investment in hotels throughout Northern Ireland. A large amount of new accommodation is required and I hope that the attractive grants and loans schemes which are operated by my Department will provide the necessary incentives to prospective investors.

I do not think that it is generally appreciated that the grants scheme in

operation here is now the only general grants scheme applicable to hotels, guest-houses, et cetera, in the whole of these islands. Unfortunately, however, it is true that the normal investment pattern has been disturbed by the security situation and I am conscious of the need to keep the machinery of assistance under continuous review to ensure that it is appropriate to the circumstances.

In addition, following reorganisation of local government my Department has powers to carry out tourist amenity and development schemes which were formerly the sole responsibility of county and urban district councils. We intend to use these powers to provide some imaginative tourist schemes which will attract people here and help them enjoy their stay with us. They will be our investment in the future of the tourist industry, and we must press on with their provision in the confident expectation of better days ahead. These schemes are currently only at the drawing board stage, but it is my intention that close consultation will take place with the people of the areas in which they will be situated and that they will have a full say in the proposals.

One of the least publicised but nevertheless important aspects of my Department's work is the field of company law and I am glad to have this opportunity to record my thanks to Mr. Donald Murray, Q.C., and his colleagues who have been working quietly over a long period reviewing the present state of our law in Northern Ireland and who have recently presented their Report. This is timely, because our law in this field is now in urgent need of review, and in doing this we will of course be taking into account the views expressed in the Report as well as the latest developments taking place in company law in Great Britain. I will be considering with my colleagues the publication of the Murray Report and I have no doubt that it will be made available as quickly as possible.

There can be no doubt either that, over the past three years or so, many industrialists looking at Northern Ireland from the outside have tended to regard it as a "high-risk" area. We cannot begin to assess what potential new investment has been lost through company planners simply striking Northern Ireland from their locations list without looking at the situation first-hand. Fortunately, however, there have also been industrialists who have taken the trouble to look beyond the headlines and see for themselves that Northern Ireland has a well-developed and basically sound economy, and is able to offer a number of advantages over other areas.

That Northern Ireland has succeeded in recent months to move forward on the economic front, despite the political and other uncertainties, is in no small measure due to the trade unions and employers' organisations which have together worked hard in co-operating with Government in holding together the economic fabric of Northern Ireland in the face of unprecedented difficulties.

We can equally take encouragement from the co-operation which has been forged throughout industry on the shop floor and which provides us with a further valuable plank on which to build for the future. This is something we simply cannot afford to lose and, indeed, which we must seek to develop further. And if so much could be gained in the difficult circumstances of recent years how much more might be achieved if the people of Northern Ireland resolve now to work together in creating the environment in which economic progress can take place unchecked.

For there can be little doubt that the eyes of industrialists in Western Europe and America, as well as in Great Britain, will be upon us to see if we can pull together for the common good. It will be only if they see the prospect of real progress towards establishing long-term political stability that the country will be able to secure the full benefit of the efforts which have already been made and which will continue in the future.

[Mr. Hume]

A great deal of progress has already been made, and the opportunities for further advances already exist. Their exploitation to the full, for the benefit of Northern Ireland as a whole and for its people, can only be achieved through the co-operative effort of all sections of this community. We have it in our power to succeed; it is up to every one of us to grasp the opportunity now and to make the very most of it. I beg to support the Motion proposed by the Chief Executive.

4.45 p.m.

Mr. Canavan (Londonderry): I am very pleased to speak in support of this Motion. I was delighted to hear the Minister of Commerce say that the disturbances and the disorder which have convulsed the Province over the last three years, have not, as one might have expected, caused the same kind of chaotic conditions in the field of employment. He said in fact that the true picture is quite the opposite. Quite obviously, this is a great tribute to the stability of the work force in Northern Ireland, to the strength and determination of the trade unions and to the foresight of the people who manage industry.

From what he said about the programme which his Department envisages, the Minister and his Department are going to reflect that stirring spirit which has been shown by the people who are involved in industry, for he has outlined a number of imaginative and novel schemes which are designed, as he said himself, to strike strongly towards the target of full employment. We all know what full employment means. We know that to the individual a good job is a basic requirement.

A man who is in full employment is enabled to order his affairs and he is enabled to budget a steady income to cover his family's needs and to save in order to provide for a rainy day. He is enabled to discipline himself to meet the demands of regular work and reasonable leisure. The taxes that he is able to pay help to distribute the wealth

of society and pay for schemes into which worthwhile activity can be channelled and to cater for those who are in poorer circumstances. Such a man is able to set a standard for his family who are then able to model themselves on him and to try to better themselves when their turn comes. It was said "Manners maketh the man" but surely employment maketh a full man.

Since the war, we have been subject to the same economic ill-winds that have beset different communities in Western Europe. We have seen the decline of the established industries like shipbuilding, engineering and linen and our policies since then have been to replace these declining industries with the new industries of the technological era. In Northern Ireland at the moment, the number of new technological jobs is roughly the same as the number in all the other industries put together. This field of the attraction of outside industries offers one of the most promising opportunities for us to maintain and increase our employment level.

Experience over the last 20 years, however, has been that most of the capital coming in from outside has been invested in capital intensive industries. This is not a healthy state of affairs because these industries require enormous amounts of capital and therefore, because of this factor, the cost of jobs in Northern Ireland has remained high. I hope that the Ministry is going to devote some research to changing the balance of this pattern and is going to look to the establishment of jobs that will be labour intensive rather than capital intensive.

The Minister explained how it was intended to encourage the development of existing industry and this, of course, can be done in many ways and is a very important aspect of an expanding economy. The existing industries which are based in the Province usually fulfil the day-to-day needs of the people who live in the community, and are