

programmes

**Regional development programme
United Kingdom
1978-1980**

COMMISSION OF THE EUROPEAN COMMUNITIES

**Regional development programme
United Kingdom
1978-1980**

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Contents

1. Introduction	5
2. Economic and social analysis	7
3. Development objectives	9
4. Measures for development	11
5. Financial resources	17
6. Implementing the programme	19
7. The situation in the individual Assisted Areas	21
(a) England - North	21
(b) England - Yorkshire and Humberside	26
(c) England - East Midlands	29
(d) England - South-West	31
(e) England - West Midlands	34
(f) England - North-West	35
(g) Scotland	39
(h) Wales	45
(i) Northern Ireland	52

ANNEXES

Annex 1 — The Assisted Areas (with maps)	59
Annex 2 — Assistance for industry and tourism	63
Annex 3 — Infrastructure authorities and programmes	69
Annex 4 — Employment forecasts	75
Annex 5 — Statistics	77
Annex 6 — Additional information provided in September/October 1978 at the request of the Commission, amplifying the infor- mation contained in the regional development programme .	107

Note

The term Great Britain denotes the United Kingdom without Northern Ireland which is treated separately for certain purposes.

For ease of expression the term 'Assisted Areas' is used, unless the contrary is apparent from the context, to refer to Northern Ireland as well as the relevant parts of Great Britain to which, strictly, the term belongs.

1. Introduction

1.1. The United Kingdom offers a wide range of incentives for the economic development of the Assisted Areas; these include financial assistance to new or expanding industry and services, the provision of infrastructure to a standard which makes these Areas attractive to industrialists and their employees and help with training costs. These are complemented by a control on new industrial building in the Intermediate and non-Assisted Areas.

1.2. The Assisted Areas (shown in the map in Annex 1 — page 60) include large urban areas which expanded in conjunction with the development of industry during the nineteenth century and both the urban areas and industry now need renewal and moderniz-

ation. The inner areas of some of the major cities exhibit some of the worst symptoms of social and economic decline. The Assisted Areas also include extensive rural areas, often with small urban communities (for instance parts of Scotland, Wales and Northern England) which have economic and employment problems which are comparatively small in overall scale, but relatively severe in their effects and often difficult to mitigate. Regional development in the UK is therefore concerned primarily with the attraction of new, modern industry into the traditional industrial areas, but the industrialization of some rural areas is also important. The building of 'New Towns' has provided focal points for new development at a number of places within the Assisted Areas.

2. Economic and social analysis

The regional problem

2.1. The United Kingdom's regional problem stems primarily from the decline of employment in the traditional industries — coal, steel, shipbuilding, textiles and agriculture, the reasons for this decline varying from one industry to another. These industries tend to be concentrated in certain areas and when they contract the effect on surrounding areas is disproportionately serious. The decline has also had its effect on local supplying industries and to a lesser extent on services. The growth of the services sector in the country as a whole has absorbed much of the decline in employment in manufacturing industry, but this growth has not been on the same scale in the Assisted Areas as elsewhere.

2.2. In 1965, 42.4% of all employment was in the main Assisted Areas (Northern Ireland, Scotland, Wales and the Northern, North-West and Yorkshire and Humberside regions of England); between 1965 and 1975 employment in the United Kingdom fell by 373 000, of which a disproportionate share (300 000 jobs) was in those Areas. The industries showing the greatest contraction in the main Assisted Areas were coalmining (207 000 jobs lost), textiles and clothing (221 000) and metal manufacture (91 000).

2.3. The Government would like to see these job losses made good by new employment-creating industries, but dereliction and poor amenities in the Assisted Areas have deterred potential investors. Inadequate communications and in some cases remoteness from the main centres of population have also discouraged newer consumer goods

industries from investing there. Moreover, industries which originally set up business outside the Assisted Areas have usually preferred to expand at, or near, their existing sites rather than to divide their operations and set up new units in a different area.

2.4. As a result of this long-term decline in traditional industries and the shortage of new employment-creating investment, there has been a large excess of labour in relation to demand in the Assisted Areas. This has been reflected in persistently higher rates of unemployment in the Assisted Areas than in the country as a whole, levels of GDP *per capita* below the national average and a tendency for net migration to take place from the Assisted to non-Assisted Areas. Average unemployment rates in the Development Areas and Special Development Areas have typically been 1½-2 times the national average in recent years. In the case of Northern Ireland unemployment was 4 times the national average in the 1960s and 2½ times the average in the early 1970s. GDP *per capita* has tended to be at least 10% (in the case of Northern Ireland over 20%) below the national average.

2.5. In addition to this general regional problem many of the inner areas of the major cities, both within the Assisted Areas and elsewhere, suffer in a marked way from economic decline, physical decay and adverse social conditions. Similar problems are also found in many of the older towns. The older urban areas have long had more than the national proportions of unskilled and semi-skilled workers, the groups among whom unemployment is highest. These areas have suffered particularly from the lack of suffi-

cient investment in new manufacturing industry to provide suitable jobs to replace those lost through the decline of the traditional industries.

Past corrective actions

2.6. Recognition of the existence of a regional problem and the first measures to deal with it go back more than 40 years. In the post-war period, the main direct contribution to industrial development has been through the provision of financial incentives for the establishment of manufacturing industry in the Assisted Areas. For a long time the principal incentive has been a capital grant which is available as a percentage of specified types of investment expenditure. The second most important incentive, in terms of total expenditure, was the Regional Employment Premium, paid in the period 1966-77 to employers in manufacturing industry, who could claim the Premium in respect of each employee at an establishment in the Development or Special Development Areas. Its value was eroded by inflation and doubt arose whether it was effective in achieving its original purpose of generating and maintaining employment in the qualifying areas. It was accordingly withdrawn (except in Northern Ireland) in January 1977 as part of a progressive move towards a more selective attitude towards assistance for industry. Other measures have included Regional Selective Financial Assistance, now the second most important incentive, and the provision of factory space at current market value rents, with important rent concessions in the initial years.

2.7. These measures have been complemented by the Industrial Development Certificate System, which enables the Government to vet individual proposals for new industrial buildings above a prescribed floor-space limit. In this way the Government can identify suitable projects for steering to the Assisted Areas.

2.8. It has long been recognized that the provision of infrastructure is a factor in crea-

ting jobs in the Assisted Areas. Since 1945 the provision of most infrastructure has become a public responsibility, but has been organized, according to the type of infrastructure, on a national or regional basis.

2.9. It is estimated that the operation of regional policy throughout the 1960s was responsible for raising employment in the Development Areas in 1970 by about 300 000 above what it would otherwise have been.

Development needs and prospects

2.10. In the immediate future there is likely to be only a slow decline from the prevailing high levels of unemployment and a relatively slow increase in manufacturing investment. Even when the recession has passed, unemployment rates may remain significantly higher than has been usual in recent years. Unemployment levels in each of the regions of the United Kingdom will obviously depend on the fortunes of the industries established there: some areas may be badly affected by shipbuilding redundancies, others by a decrease of manpower in the steel, textile and clothing industries. Some localities depend almost entirely on one or other of these and may face severe unemployment problems.

2.11. Economic growth, at a significantly faster rate than seems likely at present, will be needed to create new jobs to replace those lost. Employment in service industries is likely to continue to increase, although not as quickly as in the past. The recent decline in employment in manufacturing industry and the present under-utilization of existing capacity suggests that this sector is not likely to be a significant source of additional employment in the Assisted Areas in the near future. Much will depend therefore on the rate of expansion of the national economy and on the investment which it generates. The availability of indigenous oil should help to reduce the balance-of-payments constraints which have in the past acted to curtail expansion in the national economy.

3 Development objectives

Employment and industry

3.1. The primary objective of United Kingdom regional policy is to bring the supply and demand for labour in the Assisted Areas (particularly the Development and Special Development Areas and Northern Ireland) more closely into balance by safeguarding existing employment and creating new jobs in those Areas. The essence of the problem is the attraction of industries which will not only replace jobs lost in existing industries but also broaden the base of the economy by increasing the overall number and range of jobs available. In the Intermediate Areas, encouragement is given to the modernization of existing industry to prevent it from becoming uncompetitive through lack of investment. An important contribution to this objective is to raise the standard of the existing infrastructure to help make the Assisted Areas more attractive to industrialists.

3.2. Work is carried out continuously to assess the effects of regional policies, but no single indicator is employed and targets for the number of jobs to be produced by any of the policies pursued are not set. This was done some time ago (in the 1960s) but experience in the United Kingdom at that time showed that the exercise was neither necessary nor worth while, and that there were significant disadvantages through raising expectations which were not fulfilled. In practice the regional problem is a continuing one, and traditional industries have shed their labour over a long period and will continue to do so for some time. The structural

weaknesses in local economies, arising mainly from their reliance on a narrow industrial base, can only be remedied over a long period of time. In these circumstances all commercially viable projects which create new job opportunities are welcome in the areas hardest hit. Recent experience has shown that changes in the fortunes of the national economy have a much more profound effect on the regions than can be achieved by regional policy itself, and that over any reasonable period for assessing the effect of regional policy target figures derived in advance would be overtaken by changed circumstances in the national economic framework as well as in the individual regions. For these reasons, and because of methodological problems in defining the basic concepts and refining the analytical techniques, targets of the kind suggested by the Commission are not prepared in the United Kingdom. A more detailed explanation of the methodological problems, and references to certain limited work which has been carried out by a number of bodies in the United Kingdom are contained in Annex 4.

3.3. The financial measures described in Section 4 are available within each category of Assisted Area (except for aid for tourism projects, which is not available in Intermediate Areas) without discrimination between locations within the category. The choice of location within the Assisted Areas is ultimately a matter for a firm's commercial judgment, depending on such factors as the availability of sites, building and labour, sources of material and other supplies, transport, communications and proximity to the company's markets.

3.4. More general considerations also affect decisions on investment, such as the current and prospective level of demand in the economy, the state of world trade, present and prospective levels of inflation and taxation. In the case of Northern Ireland the position is materially affected by the availability in the Irish Republic of a different range of tax and other incentives.

3.5. Generally speaking, the Government does not attempt to identify particular industries as suitable for particular areas or seek actively to attract them there. The need for a varied industrial base is appreciated but this cannot easily be attained in a recession, when the flow of 'mobile' industry diminishes noticeably.

The contribution of infrastructure

3.6. Before manufacturing and service industries can be attracted to an area there must be an adequate supply of sites suitable for development with basic services (such as water, sewerage, gas, electricity, and rail or road access) either available or readily provided. Longer distance communications — road, rail, air, ports and telecommunications — as well as local links to the main systems are also important, particularly in the peripheral areas. Development of all these is continuing despite current economic constraints.

3.7. Agriculture plays an important part in the economic welfare of the Assisted Areas. The industry needs a high standard of infrastructure, particularly good communications, water and electricity supplies, to promote efficient production and marketing. The great majority of the United Kingdom's 'less-favoured agricultural areas' lie within the Assisted Areas (map on page 61). These areas therefore also benefit from measures designed to benefit farmers.

3.8. Fishing is a basic industry in numerous communities, of widely varying size, along the coasts in the Assisted Areas. Many of these communities are dependent for their economic survival on fishing and its ancillary occupations, such as fish processing. A high standard of infrastructure — particularly communications — is essential for the effective operation of the industry.

Tourism

3.9. The Development and Special Development Areas include some of the most beautiful parts of the country and many historical sites of interest to tourists. Some towns have conference facilities for business visitors and the improvement of facilities for visitors of all kinds can make a useful contribution to the economies of these areas. Since 1974 Government policy towards tourism has placed increased emphasis on publicizing the attractions of places either outside the main tourist centres or which can be visited outside the main tourist season. There has been a new emphasis in Government expenditure on the development of tourism in areas which can readily absorb more visitors, particularly in the Development Areas.

3.10. In Northern Ireland, tourism has a corresponding role in the stimulation of economic activity and the provision of employment, especially in areas where the scope of industrial development is limited.

Training

3.11. Government policies towards the training of employees play a significant role in regional policy by ensuring that development in the Assisted Areas is not impeded by a lack of manpower with the relevant skills. The assistance provided by the Government and its agencies is described in Section 4.

4. Measures for development

4.1. Regional policy measures are available in Northern Ireland and those areas in Great Britain designated as Special Development Areas, Development Areas and Intermediate Areas. The basis on which these areas are designated and their general characteristics are described in Annex 1. All except the Intermediate Areas are national priority areas for the purposes of the European Regional Development Fund and all include hill-farming areas recognized by the Community as less-favoured agricultural areas.

4.2. There are 3 broad groups of measures in the United Kingdom designed to help provide new jobs in the Assisted Areas:

- (a) measures which encourage the location and growth of manufacturing and service industry in the Assisted Areas;
- (b) provision of infrastructure to support industrial investments;
- (c) measures to assist the development of tourism in the Special Development and development Areas and in Northern Ireland.

Industrial measures

4.3. The United Kingdom Government offers incentives — some automatic and others discretionary — to encourage industry either to establish new projects or to expand existing operations in the Assisted Areas.

4.4. The main industrial measures are available on a broadly similar basis in all the Assisted Areas. They comprise :

- (a) capital grants, intended to encourage mainly manufacturing investment in the Assisted Areas and available for buildings in all areas and for plant and machinery in all except the Intermediate Areas;
- (b) selective financial assistance in all Assisted Areas based on project needs. This normally takes the form of loans on concessionary terms or interest relief grants of equivalent concessionary value. A special scheme of grants is available for service industry projects;
- (c) removal grants for firms moving existing manufacturing or service industry operations into the Assisted Areas;
- (d) the provision of factories in advance of need;
- (e) assistance with the transfer and training of employees ;
- (f) employment premiums paid on a *per capita* basis in respect of employees in manufacturing industry in Northern Ireland.

The measures are described in detail in Annex 2. The assistance available in Special Development and Development Areas is significantly greater than that available in the Intermediate Areas. Because of its special problems the assistance available in Northern Ireland is greater than that available in the Special Development Areas.

4.5. In addition to providing incentives to investment in the Assisted Areas, investment is also steered towards the Development Areas by means of the Industrial Development Certificate System. This System gives

the Government an opportunity to identify new projects which are 'mobile' and which could make a contribution to reducing unemployment in the Assisted Areas. The legislation enables the Government to prevent new industrial building in those areas where the system operates, but not to direct industry to other areas. New office development in South-East England is controlled in a similar way by a system of Office Development Permits. The Location of Offices Bureau is responsible for promoting better distribution of office employment in the United Kingdom; it is required to give particular attention to the promotion of office employment in inner urban areas.

4.6. In July 1974 the Government announced a programme for the dispersal of Government work; this is intended primarily to improve the balance of employment opportunities between the South-East and the rest of the country. The programme involves the dispersal of some 31 000 posts, nearly 90% of which will go to the Assisted Areas. By 1 October 1977 nearly 2 500 of the posts had been dispersed and it is estimated that over the next 2 years a further 4 000 may move. In addition a further 1 000 posts may be dispersed over the next 2 years as a result of Government decisions taken apart from the programme announced in July 1974 and it is expected that over 2 000 jobs will be established in new Government offices in the regions.

Service Industry Grant Scheme

4.7. The Scheme was introduced in 1973 to encourage the greater development of service industry activities in the Assisted Areas and to stimulate the growth of employment there. All service industry projects may be considered for regional selective assistance provided that they have a genuine choice of location between the Assisted Areas and elsewhere, and produce a minimum of 10 jobs in the case of projects moving into the Assisted Areas or 25 jobs, in the case of new

or expanding projects. In the period up to 30 September 1977, 123 projects had been offered assistance totalling UK£ 11 million, which were expected to lead to the creation of 9 400 jobs in the Assisted Areas. In Northern Ireland power to assist the service industry is provided under the Industries Development Acts.

Advance factories

4.8. The Government is continuing its long-standing policy of providing industrial premises in advance of demand in the Assisted Areas. The programme's main purpose remains that of contributing to the diversification of industry in areas where the effects of structural unemployment are most severe. In the last few years it has also complemented measures taken by the Government to assist small firms, and in the Assisted Areas has a particular role to play in furthering the provision of jobs in the inner city areas.

4.9. The first advance factories were built in the 1930s and by 1939 some 12 000 people were employed in them. From 1945 onwards the Government has authorized the construction of about 1 000 advance factories in the United Kingdom, and it is estimated that companies which have moved into them have provided jobs for some 50 000 people. Total Government factory space in the Assisted Areas amounts to over 7 ½ million sq m, of which approximately 93% has been occupied. Advance factories are always built on sites which provide ample room for future expansion: in many cases companies have taken advantage of this after a very short time to build extensions which double or treble the space they occupy.

4.10. The 28th programme of advance factories for England was announced in February 1977. It will be concentrated in shipbuilding areas to provide much needed employment for redundant shipyard workers and will be completed over the period 1978-80. It is also hoped that the special pro-

gramme of advance factories for small firms, announced in October 1977, will be completed by 1980. A further programme was announced in November 1977, mainly for Northern England. The Scottish Development Agency has announced three advance factory programmes, a significant proportion of which has been allocated to rural areas. The Welsh Development Agency has recently announced 2 major programmes of advance factory building, with the emphasis on building smaller units for indigenous companies and improving job prospects in unemployment blackspots.

4.11. The advance factory programme as a whole is expected to provide some of the additional factory capacity which will be required in areas of special need when the economy expands. The exact scale of future advance factory building is however difficult to predict, as this is determined by the economic cycle.

Other factory building

4.12. During the period 1978-80 the Government will also continue to respond to demand for extensions to its factories which are already occupied and to companies' requests for factories built to their own requirements. The scale of this building is likewise hard to predict, the ratio of advance factory building to building for immediate occupation varying with the state of the economy as a whole. Nevertheless, the Government foresees a steady commitment of funds to factory building.

Infrastructure measures

4.13. The Assisted Areas of the United Kingdom generally suffer from marked deficiencies in infrastructure. These are of 2 kinds: there is a widespread need to replace out-of-date infrastructure in the older towns and cities, and in some areas, mostly rural, infrastructure needs to be provided for the first time.

4.14. The provision of infrastructure by public authorities can also play an important part in the development of tourism. Projects might include recreational, entertainment and sports facilities (often in complexes including some commercially provided facilities) as well as access roads and other transport facilities. Projects which are essential for tourism development can also bring important benefits to the local population and assist the economic development of the area.

4.15. There is considerable diversity in the organization and character of the bodies responsible for infrastructure in the United Kingdom, and the level at which their control is exercised. Central government, local government, statutory corporations, public trusts and, less often, privately-owned companies on occasion act as infrastructure-implementing authorities: in some instances different authorities are responsible for the same type of infrastructure in different places. It follows from the diversity of organization that there is diversity in the methods of financing investment. Most infrastructure authorities prepare 5-year rolling programmes. Although the various public sector bodies are all subject directly or indirectly to the Government's own annual surveys of public expenditure, many of them have a high degree of independence in deciding the timing and location of their investment and the selection of projects. A description of the authorities responsible for infrastructure and their programmes is provided in Annex 3.

Tourism measures

4.16. Responsibility for the development of tourism within Great Britain rests with the British Tourist Authority and the English, Scottish and Welsh Tourists Boards. The Boards' functions are to encourage people, at home and overseas, to take holidays in Britain and to encourage the provision and improvement of tourist amenities and facilities

there. (The British Tourist Authority is primarily concerned with overseas promotion for Britain as a whole and the 3 Regional Boards with tourism in their respective countries.) Financial assistance from the National Tourist Boards is available for a wide range of suitable tourism projects, including hotels, conference centres, camp sites and tourist facilities of all kinds. This assistance is given in the Development and Special Development Areas only, at the discretion of the Board concerned, who exercise their judgment in the light of the varied tourism needs of particular localities, e.g. to add to or improve the supply of accommodation in some places, to stimulate conference tourism or activity holidays. In the next 3 to 4 years, however, part of the Boards' available resources will be utilized for the experimental tourism growth point schemes (see paragraph A2.19). Comparable arrangements apply to Northern Ireland where financial schemes of assistance are administered by the Department of Commerce in conjunction with the Northern Ireland Tourist Board. Details of these measures are given in Annex 2.

Industrial policy

4.17. The Government has prepared, through a dialogue with representatives of employers and trade unions, a new Industrial Strategy to provide conditions conducive to the growth and prosperity of industry in all parts of the country. The main aims of the Industrial Strategy are to improve the productivity and competitiveness of manufacturing industry. It is a medium to long-term programme, concentrated on 40 industrial sectors which are of critical importance. The sector working parties have recently completed reports on the second phase of the programme, setting out medium-term strategies aimed at improving market penetration at home and abroad.

4.18. Regional policy is part of the framework within which the Industrial Strategy is

being developed. They are not to be regarded as alternative policy options or options which are in competition for scarce economic resources. Although they operate independently of one another, they are compatible policies offering complementary routes to rebuilding the United Kingdom's economic strength. For example, if major new investment is required in an industry, existing regional incentives are available to influence its location.

4.19. A direct stimulus to industry can also be given by the National Enterprise Board and the Scottish, Welsh and Northern Ireland Development Agencies whose functions include furthering economic development, the provision, maintenance or safeguarding of employment and the promotion of industrial efficiency and international competitiveness. In the case of Wales, the Government has also established the Development Board for Rural Wales which is responsible for promoting the economic and social development of rural mid-Wales with the object of halting the continuing trend of depopulation. In Scotland, the Highlands and Islands Development Board has a broad range of powers to further the economic and social development of the highlands and islands, which in the past have suffered from depopulation.

4.20. The Government is giving special emphasis to measures to revive those of the major cities which are suffering from urban deprivation. The underlying aims of this are to strengthen the economies of these areas, improve their physical fabric, alleviate social problems and secure a better balance between population and jobs. The Government has put before Parliament proposals to give some local authorities, selected because they face serious problems of urban decay, additional powers to assist industry : where conditions give rise to the existence of special social need, it is proposed that Central Government will be able to enter into partnership arrangements with local authorities and others to promote a concerted effort to alleviate the problems : it is also proposed that

selected local authorities will be able to declare industrial improvement areas and to make loans and grants in them in order to modernize facilities and buildings. The Industrial Development Certificate control is operated flexibly with regard to the needs of areas of urban decay in the non-Assisted Areas and Intermediate Areas. Additional financial support — especially through the Rate Support Grant, and the Urban Programme Grant which has been revised to cover industrial, environmental and recreational provision as well as specifically social projects — is given to local authorities tackling the problems of urban deprivation.

Agricultural policy

4.21. Although United Kingdom agriculture provides about one-half of the nation's food, it is of limited importance to the economy in terms of employment — less than 3% of the working population is engaged in agriculture. Agriculture is however a more important feature of the economy of some sections of the Assisted Areas (for example, some 13½% of the working population of Northern Ireland is engaged in agriculture and related activities). This is particularly true of the hill-farming areas where national support measures, EAGGF aid, and the provision of satisfactory infrastructure play an important part in encouraging agricultural production and sustaining the level of population.

Redundancy measures

4.22. Forthcoming redundancies involving more than 10 workers have to be notified to the Department of Employment in accordance with the Employment Protection Act. When redundancies are known to be imminent, the services of the Manpower Services Commission, the Employment Service Agency and the Training Services Agency are immediately deployed to assist those in-

involved to obtain and, where necessary, to be trained for alternative employment. Comparable arrangements apply in Northern Ireland.

Social policies — Training

4.23. Training policies act as a useful adjunct of regional policies to which they contribute by ensuring that manpower training and re-training difficulties do not impede the movement of firms to Assisted Areas and the growth of existing firms in those areas. The main responsibility for training to meet the needs of industry rests with employers, who provide most of the training opportunities. They are supported in a number of industries by Industrial Training Boards responsible for the development and encouragement of training in those industries. Boards, however, operate on an industry basis and while some have a regional organization, their objectives are to meet needs of firms and industries rather than specifically regional requirements; as a result, statistical information on training is not available on a regional basis to any great extent.

4.24. The Training Services Agency, which has overall responsibility for training, provides a number of direct training services to employers, which are free of charge to those in the Assisted Areas. These are: employer-sponsored training at skillcentres for people in employment and requiring extended skills which cannot be met by the employer's own training facilities, instruction on the employer's premises, instructor training, and training within industry for supervisors. The Department of Manpower Services in Northern Ireland offers similar direct training services free of charge to employers. It also provides grant aid under certain conditions towards the cost of basic training for additional workers, the salaries of training officers and similar personnel, the purchase of capital machinery for use in training and the development of good management and appropriate management structure.

4.25. Training under the TSA's Training Opportunities scheme provides opportunities for people who have no skill or who need to acquire a new skill to take training in a wide variety of occupations. It is adaptable and responsible to the changing needs of the different areas of the country and thereby helps both to reduce unemployment and to meet the manpower requirements of local firms, including those moving into Assisted Areas. It is available at skillcentres, at colleges of further education and other educational establishments, and uses spare training capacity at approved employers' establishments. Skillcentres provide skilled craft training, mainly in engineering and construction trades, but also in occupations such as electrical, plant and automotive trades. More skillcentres are being built and increased use of college and employers facilities is planned.

4.26. Broadly similar vocational training facilities are available in Northern Ireland. A major difference is the provision of direct training facilities for apprentice training for young persons, who would not otherwise have such an opportunity. As well as direct training in Government Training Centres, schemes of training for skills at all levels are either operated by the Department of Manpower Services or given substantial financial support.

The physical planning framework for regional development

4.27. Control of land use in Great Britain is primarily the responsibility of local authorities. A broad framework for this control is provided by 2 kinds of documents: 'regional strategies' and local authority 'structure plans'. Regional strategies, known as re-

gional reports in Scotland, assess broadly the resources of all kinds available in each region and recommend long-term policies — economic and social as well as physical and spatial — to secure the best use of these resources. One purpose of the strategies is to provide a wider background for the preparation of structure plans by the local authorities.

At the structure plan level the implementation of economic policies is expressed in terms of land: policies for its use and development, the physical environment and transport. The local authorities are required to take account of current policies for the economic planning and development of the region as a whole, and to state in their structure plans how they have done this.

4.28. Neither regional strategies nor structure plans determine specific sites for industrial or any other development, or lay down requirements that particular development must take place. They provide guidance for day-to-day decisions on investment by public or private agencies, and their policies are flexible enough to accommodate considerable variations in the rate and siting of actual development. Structure plans also provide a framework for more detailed local plans, which may be prepared to define the precise extent of acceptable development, as far as this can be firmly decided, from time to time. These local plans are required to conform generally to the structure plan.

4.29. In Northern Ireland planning legislation is broadly similar to that in Great Britain, but the Department of the Environment (NI) is the sole planning authority for the entire region. Planning proposals are expected to accord with a long-term overall planning strategy which has been drawn up for the region.

5. Financial resources

Budgetary constraints

5.1. Government resources available for regional development are constrained by the same considerations as public expenditure for other purposes. Nevertheless a distinction can be made between aid to industry and expenditure on infrastructure.

5.2. Except for tourism, where the total amount of assistance is set year by year, and the advance factory programme, expenditure on most forms of financial aid to industry is responsive to the applications made for the various forms of assistance described in Annex 2 and the level of applications is itself affected by national economic circumstances. The provision made in public expenditure estimates is therefore an assessment of the claims on public funds which are likely to arise in those circumstances.

5.3. Infrastructure expenditure by individual authorities is governed by Central Government decisions on the level of expenditure acceptable in a given year. Subject to a time lapse (which may vary from a few months to as much as 2 years, according to the scale of the project and the nature of the infrastructure), the level of expenditure is regulated within this total by individual authorities who vary the number of new projects passing from the planning stage to main construction according to the money available. Within a 5-year rolling programme a high proportion of expenditure in the first 2 or 3 years relates to projects in progress.

Sources of finance

5.4. The United Kingdom Government normally expects any industrialist whose pro-

ject receives Government aid to provide a considerable part of the resources needed to finance it, either from the company's own earnings or by borrowing elsewhere.

5.5. The method of financing for infrastructure projects depends on the type of authority responsible for the project. Trunk roads are built and paid for by Central Government. Local authority projects (e.g. roads, industrial estates) are financed by varying combinations of rate income, Central Government grants and borrowing. Authorities with a trading income (e.g. those responsible for the electricity, gas, telecommunications industries and for water supply and sewerage) finance their total investment programme in the same way as industrial undertakings; their requirements are met from their own earnings or by borrowing, usually from Central Government.

5.6. The information available about the regional distribution of infrastructure expenditure varies according to the type of infrastructure. In some cases (e.g. railways, gas) expenditure in the Assisted Areas is an integral part of investment in the development or renewal of the national network and it is not possible to identify expenditure attributable to the Assisted Areas. Consequently no indication can be given of the amount of infrastructure expenditure which would be eligible for Fund aid if all suitable projects were to be aided.

Expenditure by region

5.7. So far as expenditure on assistance to industry is concerned, some information is available historically for Scotland, Wales and

Northern Ireland (which are wholly Assisted Areas) and for the Assisted Areas of England in total (an analysis of the major items between regions is also available). Estimates are available for the main elements of future expenditure on the basis used by the United Kingdom Government for the control of public expenditure.

5.8. Infrastructure programmes are not generally drawn up on a regional or Assisted Area basis, as has already been explained, though many programmes are divided between the 4 countries of the United Kingdom. Expenditure programmes are prepared similarly, although it is possible to provide estimates for some programmes for the English Assisted Areas as a whole. For national infrastructure systems (railways, gas, electricity, telecommunications) no breakdown of the Great Britain figures between Assisted Areas is possible.

Information available

5.9. Annex 5 gives figures available for industrial, tourism and infrastructure expenditure, incorporating where possible an analysis for the English regions ; these relate to the financial years of the United Kingdom Government, which run from 1 April to the following 31 March.

5.10. Because of the responsive nature of the Government's aid for industrial projects little information is available about projects likely to be carried out during the period of the programme. However, Section 7 includes references to certain major projects already known to the Government as well as to infrastructure projects, some of which may be the subject of applications for contributions from the ERDF.

Use of other Community Funds

5.11. The Social Fund has a significant regional impact, which is even more pronounced in the UK than in the Community as a

whole ; approximately three-fifths of the UK's receipts are generally under the Article 5 'regions' section of the budget. The total UK share of the Fund in 1976 was UKL 44.3 million, or 24.4% of the total.

5.12. Since 1 January 1973, grants from the Guidance Section of the EAGGF have been available for projects in the UK as a whole ; aid in 1976 amounted to UKL 11.1 million. As from 1 January 1978 grants from the Guidance Section of the EAGGF will be made under a new regulation towards projects intended to develop or improve the conditions under which agricultural products are processed or marketed, on condition that these projects have first attracted national aid. In some cases UK regional aid will be used as the qualifying grant, but it is too soon to estimate what proportion of claims will be based on regional considerations. In addition the UK receives Guidance Section reimbursements for compensatory allowances on mountain and hill-farming and farming in certain less-favoured areas of the order of UKL 10-12 million a year.

5.13. Loans to the UK from the European Investment Bank have been increasing steadily since 1973, and have been largely concentrated in the Assisted Areas. In 1976 loans totalling UKL 260 million were approved by the EIB for projects in the UK. This made the UK the largest single recipient of EIB funds within the Community. The loans were principally for the purposes of regional development and the development of the Community's energy resources. Two-thirds of the value of the loans went to projects in the Assisted Areas.

5.14. In 1976 UKL 9 million worth of loans were approved by the European Coal and Steel Community for reconversion projects in the UK which led to the creation of employment opportunities in areas affected by redundancies in the coal and steel industries. All these projects were located in the Assisted Areas.

6. Implementing the programme

6.1. Since 1965 the UK has been subdivided into 11 economic planning regions : Scotland, Wales, Northern Ireland and 8 regions in England. These are North, Yorkshire and Humberside, North-West, South-West, East Midlands, West Midlands, South-East and East Anglia; the Assisted Areas at present include the whole of the North, Yorkshire and Humberside and North-West Regions, and parts of the South-West, East Midlands and West Midlands Regions.

6.2. In each region an Economic Planning Council and an Economic Planning Board has been established (except in Northern Ireland, where the situation is as described in paragraph 4.29). Economic Planning Councils consist of members drawn from industry, the trades unions, the local authorities, the social services, agriculture, etc. The Councils have no executive functions. They collaborate with regional groups of local planning authorities and with Central Government in the preparation of regional strategies (described in 4.27 and 4.28) which provide a regional framework for national and local planning ; they also advise on the regional implications of national policies. The Economic Planning Boards consist of officials from the Regional Offices of Government Departments. Economic planning Boards coordinate, where necessary, the regional policies and planning work of Departments, and assist Economic Planning Councils in their work on regional strategies.

6.3. In Scotland the Scottish Economic Council, which is chaired by the Secretary of State for Scotland, advises Ministers on economic issues and provides a forum for discus-

sion of all aspects of Scottish economic development. The Economic Planning Board for Scotland is chaired by the Scottish Economic Planning Department and coordinates the work of Government Departments and other Agencies concerned with regional planning in Scotland.

6.4. It should be emphasized however that the regional strategies are not statutory but intended only as frameworks for the local authorities structure plans. In neither case is any requirement laid down that specific development must take place.

6.5. The responsibility for carrying out industrial projects lies with the sponsor of the project to whom the regional aids are granted by the Government and there are procedures to verify that projects are either in progress or have been completed before payments are made.

6.6. Separate authorities are responsible for carrying out the infrastructure programmes ; the institutional arrangements are described in Annex 3.

6.7. Individual organizations, whether carrying out industrial, infrastructure or tourism projects, decide for themselves the starting dates and time needed for completion of their projects. Section 7 gives indications of the expected timing of some of the projects mentioned. Where projects are the subject of applications for assistance from the ERDF, the applications show the expected incidence of expenditure, on the basis of the information supplied to the United Kingdom Government by the organization concerned.

7. The situation in the individual Assisted Areas

Earlier sections of this paper have described in general terms the United Kingdom's regional problem, the prospects, and the policy measures in operation. In this section the situation in the individual Assisted Areas is described in more detail and some indications are given of the types of investment which are particularly well suited to each region. Some major projects are also identified.

England is divided for economic planning and certain other purposes into eight regions. Three of these — North, Yorkshire and Humberside and North-West — are wholly Assisted Areas, and 3 more — East Midlands, West Midlands and South-West — are partly Assisted Areas.

The Assisted Areas are treated in the following order :

- (a) England — North
- (b) England — Yorkshire and Humberside
- (c) England — East Midlands
- (d) England — South-West
- (e) England — West Midlands
- (f) England — North-West
- (g) Scotland
- (h) Wales
- (i) Northern Ireland

in most instances under the sub-headings: description — problems — prospects — development objectives — development measures.

7 (a). ENGLAND — NORTH

Description

7(a) 1. The Northern Region consists of the 5 counties of Cleveland, Cumbria, Durham, Northumberland and Tyne & Wear. It covers an area of 1 935 000 hectares, has a population of just over 3 million, a workforce of 1.3 million and accounts for 5.3% of the United Kingdom's gross domestic product.¹ There is a high concentration of population in a small number of areas, principally Tyneside, Wearside and Teesside, which together account for 56% of the total. The rest of the population is found in a large number of small scattered communities.

7 (a) 2. The region has Special Development Area status in south-east and south-west Northumberland, Tyne & Wear, most of Durham, Hartlepool and western Cumbria, and Development Area status elsewhere. Much of the rest of the region, outside the industrialized areas of the North-East and in west Cumbria, is also a less-favoured agricultural area.

Problems

7 (a) 3. The region's economic problems stem from a persistent decline in basic industries over the last 30 to 40 years, resulting in a continuously high level of unemployment.

¹ 1975 figures are used throughout for GDP.

At June 1977 unemployment in the Northern Region was 0.12 million, 8.6% of employees.

7 (a) 4. In addition to the general downward trend in employment in agriculture, transport and communications there was a reduction between 1965 and 1975 of 104 000 jobs, mainly male, in mining and quarrying (particularly coalmining), metal manufacturing (in this region largely iron and steel manufacture), chemicals, shipbuilding and marine engineering.² Despite the considerable success of past policies and measures in diversifying the region's manufacturing industry, the industrial structure remains over-dependent on the traditional heavy industries of coalmining, shipbuilding and heavy electrical and marine engineering; these still provide 25% of male jobs in the region compared with 9% in the United Kingdom as a whole.

7 (a) 5. Coalmining is now concentrated in the larger pits where modern machinery can be used to great advantage. The older pits, where reserves are largely exhausted, continue to close. Since 1965, 81 collieries have ceased operation, mainly in south-east Northumberland, west Durham and west Cumbria.

7 (a) 6. Metal manufacturing is concentrated in Cleveland, north-west Durham and west Cumbria. There has been a considerable run-down in manpower in the region in recent years, with a loss of about 16 000 male jobs (around 25% of the total employment in this industry in the region) between 1965 and 1975. In addition, job losses are occurring in electrical and heavy engineering, especially in Tyne & Wear, because of a fall in demand.

7 (a) 7. In shipbuilding and marine engineering, rationalization and modernization have caused significant job losses in the past, with a reduction of about 12 000 (20%) in employment between 1965 and 1975. There is, moreover, increasing concern over future orders because the world trade recession is leading to reduced demand for new shipping, particularly oil tankers. The ship-repairing industry is also in a depressed state, the main areas affected being Tyne & Wear, Cleveland and Barrow-in-Furness. In this last town, over half the work for men is provided by shipbuilding.

7 (a) 8. The production of chemicals is largely concentrated in Cleveland. This industry is basically healthy and production is likely to expand, although being capital-intensive there will probably be little increase in employment.

7 (a) 9. The level of gross domestic product per head in the North is considerably below the national average, and has been so for a considerable period. The unemployment rate has tended to be well above the national average over recent years, and within the Northern Region a number of areas have significantly higher percentages than the Region as a whole, e.g. Wearside, Hartlepool and north-west Durham. Taken together these 2 indices are an important symptom of the Region's continuing economic difficulties.

7 (a) 10. While the 1971 census showed that the region was becoming more attractive to in-migrants, it has remained subject to heavy out-migration, leaving it with the highest rate of net migration loss of all the Assisted Areas during the period 1966-71. This trend towards very considerable out-migration has continued in recent years.

7 (a) 11. Although considerable progress has been achieved in reclaiming derelict land, with almost 4 700 hectares cleared or approved for clearance, at least as much again remains to be dealt with.

¹ June 1977 figures are used throughout. It should be noted that June figures are influenced by the addition of school-leavers onto the register.

² Comparison are made between 1965 and 1975 wherever possible. It should be noted that these figures are subject to some margin of error.

7 (a) 12. Despite considerable progress in housing through slum clearance, new building and house improvements, nearly a fifth of the total regional housing stock, at the most recent analysis, still lacked a standard amenity such as a fixed bath, inside toilet or hot water. Measures to improve hospital facilities and medical care generally are in hand.

Development objectives

7 (a) 13. The main objectives of the region are twofold : first, to continue to diversify the industrial base of those areas which are heavily dependent on industries (iron and steel manufacturing) where rationalization is likely to occur, such as north-west Durham, Hartlepool and west Cumbria, by the attraction of growth industries. The second objective is to encourage the region's existing industries to rationalize and modernize where necessary.

7 (a) 14. Companies which supply installations and equipment for the offshore oil and gas operations in the North Sea will also be encouraged although it is unlikely that employment in these activities will increase significantly over the next few years.

7 (a) 15. The continued provision and development of a wide selection of well-serviced industrial sites is necessary, particularly in those areas where rationalization of industry is taking place or is imminent. There is also scope for the development of service industries and for encouraging office development to provide a greater range of opportunities for the increasing numbers of young people seeking employment.

7 (a) 16. There is good potential for the controlled development of tourism in the region, which possesses attractive mountainous and coastal areas. So far the potential for tourism has been only partially exploited in such areas as the Cumbrian coast and the Pennines. The provision of additional accommodation can help the industry to expand.

7 (a) 17. Productivity in agriculture has been rising in recent years with a continuing, though decelerating, reduction in its labour force. It would however be beneficial to have more processing plants established locally to provide added value and generate employment. Many of the farms of the region are in hill areas and suffer from physical and climatic disadvantages as well as competing for the use of the countryside with tourism and recreation, so that in spite of financial assistance and the application of new techniques their full potential is not being realized. So long as it is carefully integrated with agriculture, development of tourism could be of considerable financial benefit to many hill farmers.

7 (a) 18. An important role in the future of the region lies in the improvement of the environment and the economy of inner-urban areas, (where there is a high incidence of poverty and deprivation), the continued reclamation of derelict land, and improvement of the housing stock and social amenities of the region as a whole.

7 (a) 19. Despite the considerable progress in communications, especially the creation of an up-to-date road network in the North-East, there is a general need to improve east west roads and access to areas such as west Cumbria, including Barrow-in-Furness, and west Durham, to create integrated communication systems for the major urban areas such as Tyne & Wear and Cleveland, to improve regional airports and to provide better dock facilities and more container terminals.

7 (a) 20. Training and retraining are an important factor in future development. By the nature of the region's industries, the region has an unusually large percentage of unskilled manual workers in its workforce. The decline in many of the region's traditional extractive and manufacturing industries has displaced many of these and also many workers with skills not required by the newer industrial processes which were introduced to the region under regional development measures.

7 (a) 21. In order to match the needs of incoming industry, to cater for technical changes in industry and to build up a more balanced occupational structure, a programme of further training and retraining is necessary at all levels ; this is needed to facilitate the transfer of those affected to other work, to equip the high proportion of unskilled among the unemployed for the opportunities developing in the region, and generally to rectify the imbalance in the unskilled ratio in the labour force.

Development measures

7 (a) 22. An independent research team has recently completed a specially commissioned regional strategy report. Its proposals emphasize the need for measures to encourage self-sustained economic growth based upon innovation and diversification in indigenous industries. The report is now being appraised by the commissioning parties.

7 (a) 23. Meanwhile a number of specific measures or projects are either under way or are planned so that current development objectives can be achieved, at least in part.

7 (a) 24. The Government has a policy of reviewing the requirements of industry for land in the region and is currently concerned with meeting the potential needs of a number of areas, for example south Tyneside and Wearside. There have been 5 advance factory programmes for the region announced since 1975, totalling over 120 000 sq. m. Most of the factories are expected to be completed by the end of 1978. In addition the Development Commission is undertaking a programme which will give a total floor area of 23 500 sq.m. The local authorities have their own comprehensive factory programmes designed to provide premises in advance of need, mainly to cater for the requirements of the smaller business.

7 (a) 25. The British Steel Corporation's plans for the creation of a new steel complex

at Redcar are at present being implemented. The latest stage (IIB) includes a new 10 000 tonnes-per-day blast furnace. An ECSC loan of UKL 150 million has been approved in respect of the full stage IIB scheme. Other plans for the complex will be announced later.

7 (a) 26. Over the last 3 years, the National Coal Board has announced plans to invest more than UKL 50 million in Northumberland and Durham collieries, most of which will be spent on the development of pits along the coast. The biggest scheme, costing UKL 14 million, involves an underground link-up of neighbouring Horden-Blackhall collieries and will give the collieries access to more than 57 million tonnes of undersea coking coal suitable for the British Steel Corporation's proposed Redcar complex. In cooperation with BSC, the NCB are planning a round-the-clock rail service to keep the Redcar plant continuously supplied with high-quality coking coal. There are also plans to increase the amount of opencast coalmining.

7 (a) 27. Considerable investment is being undertaken by chemical companies in the region ; for example, Imperial Chemical Industries, with their petrochemical and agricultural divisional headquarters on Teesside (Cleveland), have over the last 3 years announced capital investment projects totalling UKL 400 million for their Billingham and Wilton sites, including the construction of a pipeline connecting Wilton with the BP Chemicals complex at Grangemouth in Scotland.

7 (a) 28. Short-term prospects in the power engineering industry have improved with the bringing forward of a large power station order and the long-term competitive position has been strengthened by the formation of Northern Engineering Industries Limited, created from the merger between Clarke Chapman and Reyrolle-Parsons Limited.

7 (a) 29. Various measures are being carried out to encourage more tourism in the

region. For example, the Government in conjunction with the English Tourist Board has agreed to provide some UKL 1 million over the next 3 to 4 years, to encourage the establishment and development of growth points for tourism in the High Pennines region from Teesdale to the South Tyne Valley.

7 (a) 30. Among the measures employed by the Government to attract new industry, the continuous programme to construct factories in advance of requirements has been of special importance to the region. The New Towns of Washington, Aycliffe, Peterlee, Cramlington and Killingworth are providing focal points for new industrial growth. These and many local authorities also have factory building programmes.

7 (a) 31. Among the types of infrastructure schemes already granted aid by the European Regional Development Fund are the construction of berths and quays on the Tees and at Hartlepool, the provision of services and roads to industrial estates, and the preparation of industrial sites.

7 (a) 32. Newcastle and Gateshead are priority areas for action under the national programme to regenerate the inner cities. On Tyneside, Wearside and Teesside generally improvements are needed to deal with the problems of industrial obsolescence in the inner urban areas — poor access to sites and buildings, under-utilization of land, buildings in poor structural condition, facilities for parking and loading which are inadequate for modern industrial enterprises, dereliction and despoiled land. Local authorities will contribute to the solution of these problems. The aim is to improve the general conditions and environment of the inner industrial areas and to encourage jobs back to these locations by making the older factory areas more attractive to employers and increasing the opportunity for new industrial development to take place in the inner city. An example of refurbishment is provided by the development of the North-East Ironmasters Industrial Estate on an old spoil site at

Middlesbrough on Teesside, the earlier phases of which attracted European Regional Development Fund assistance. Expenditure of UKL 1 million is planned for further phases of this project during 1978-80.

7 (a) 33. It has been noted that much of the region is rural with small isolated settlements and these are often afflicted with relatively severe economic and unemployment problems, although in absolute terms the individual problems are small in scale. The need to provide employment locally as an alternative to a drift to the major conurbations has led to decisions to provide industrial estates and to improve communications. Most of these projects cost less than UKL 250 000 each, although there are 3 road projects to be built in County Durham costing UKL 2.6 million (1978 to 1981).

7 (a) 34. The Kielder Reservoir scheme is due for completion by 1979-80. Water stored in the new reservoir under construction in the valley of the north Tyne will be used to regulate flows in the rivers Tyne, Wear and Tees to support all-the-year-round abstractions which will be needed to satisfy the forecast growth in the demand for water for industry. The construction of the associated Tyne-Tees aqueduct is designed to abstract water from the River Tyne near Riding Mill and convey the water south to the rivers Wear and Tees, thus regulating their flows. The scheme will provide an extra 200 million gallons of water per day and will aid the diversification of the industrial structure of a large part of the region by ensuring water supplies are available for new industry and the expansion of existing firms. UKL 17.5 million has been provided in loans from the EIB and UKL 10.6 million has been granted by the ERDF since 1975 towards this projects.

7 (a) 35. A major main drainage scheme for the lower reaches of the River Tyne, estimated to cost UKL 100 million, is now well under way and a start has been made on a comparable scheme for the River Tees in Cleveland.

7 (a) 36. A major public transport project is at present under construction, known as the Tyneside Rapid Transit System. This circular system will consist of 34 miles of track with 43 stations and new purpose-built electrically-powered rolling stock. The total cost of the scheme is UKL 161 million at November 1975 prices and completion is expected by the early 1980s.

7 (a) 37. A major road building programme, concentrating mainly on north/south communications, has increased the attractiveness of the area to industrialists. Most major industrial areas now have access to the inter-urban road network although there are some exceptions. The overall infrastructure and environment of the region has been improved but much remains to be done.

7 (a) 38. On the east, in Cleveland there are major gaps in the primary road network. On the west coast, the industrial areas in Cumbria are rather remote from the M6 motorway: however, improvements already being carried out and those proposed to the A66 and A590 roads will greatly help to overcome this problem.

7 (a) 39. Up to September 1977 schemes costing over UKL 28 million for reclamation of derelict land had been approved for Government grant, and further schemes are under consideration.

7 (b). ENGLAND — YORKSHIRE AND HUMBERSIDE

Description

7 (b) 1. The Yorkshire and Humberside Region consists of the counties of North, West and South Yorkshire and the country of Humberside. It covers an area of 1 420 000 hectares, has a population of 4.9 million, a workforce of 2.1 million and accounts for 8.5% of the United Kingdom's gross domestic product. Unemployment in

June 1977 was 0.12 million, 5.7% of employees.

7 (b) 2. The whole of the region is an Assisted Area. The Hull travel-to-work area and the Grimsby, Scarborough and Whitby employment office areas are Development Areas while the rest of the region has Intermediate Area status. Parts of the region in the west and north-east are less-favoured agricultural areas.

Problems

7 (b) 3. Over 70% of the population is in the heavily industrialized West Yorkshire and South Yorkshire counties, which include the cities of Leeds, Bradford and Sheffield and contain large areas of urban and mining dereliction.

7 (b) 4. Parts of the region suffer from continued, though reduced, overdependence on the coal, steel and textile industries and from the difficulty of introducing more diversified job opportunities. In the textile areas of West Yorkshire, the obsolete stone-built, multi-storey factory buildings are ill-suited to modern production-line methods, but their removal is expensive and their sites are often too small for modern development. In these areas net outward migration, often of young people, remains a serious problem, although unemployment percentage rates remain deceptively low. Between 1965 and 1975 nearly 60 000 jobs in wool textiles were lost.

7 (b) 5. South Yorkshire is heavily dependent on the basic industries of coalmining and metal manufacture (mostly steel) where rationalization and reorganization have also resulted in considerable job losses. More diversification of industry is needed, but severe dereliction dating from the 19th century tends to discourage new modern industries from settling there.

7 (b) 6. On Humberside, rising unemployment, a succession of serious industrial

closures, the threat of further redundancies in the important fishing and associated industries and the area's isolation from other industrial areas have created a serious situation and more jobs are urgently needed.

7 (b) 7. North Yorkshire's main problems are those associated with slowly declining rural population in some areas and, on the coast, a tourist industry with a short season and an increasingly uncertain future in the absence of substantial investment. The Government is prepared to authorize the English Tourist Board to contribute UKL 1 million over the next 3 to 4 years towards investment in the Scarborough district.

7 (b) 8. Progress has been made on the environmental front — particularly in the virtual completion of the clean air programme in major cities like Sheffield, and in the rebuilding of town centres. Dereliction and urban deprivation are however particularly severe in the inner-city areas of Leeds, Bradford, Hull and Sheffield.

Prospects

7 (b) 9. The region has certain advantages which, in the medium and longer term, will help to offset these disadvantages. They include a central position in the country's main communication network, a large and varied skilled workforce, a strong manufacturing base, proximity through the Humber ports to the other countries of the Community and important office centres in Leeds and Sheffield.

7 (b) 10. The expanding motorway network has helped in particular to establish Yorkshire as a national distribution point and these motorways should assist in the establishment of new industrial estates at access points.

Development objectives

7 (b) 11. The primary objective of the region is to increase its long-term economic

prosperity so that it becomes capable of generating self-sustained growth without external help. On the industrial side, priority will be given over the next 10 years to measures aimed at encouraging more industrial investment, and on the infrastructure side priority will be given to facilitating industrial development and to completing the basic communication network within the region.

7 (b) 12. More detailed industrial objectives, which are intended to improve overall job quality and widen the range of employment opportunities (particularly in those areas affected by the contraction of the traditional industries) are : to reinforce and diversify the region's manufacturing and primary industries and services, to encourage the development of ancillary services and tourism, and to improve training for employment in industry.

7 (b) 13. As far as the environmental objectives are concerned, particular importance is attached to improvements in such fields as housing, public amenities, and the removal of atmospheric pollution and dereliction, with a view to attracting new industrial and commercial enterprises.

Development measures

7 (b) 14. Examples of current major industrial projects which will aid the region's recovery and which are either being financed by the public sector or which are eligible for Government finance are :

(a) Public sector

(i) The Selby Coalfield

The development of major new coal deposits at Selby over the next 12 years at an estimated cost of more than UKL 400 million.

(ii) British Steel Corporation

BSC plans to invest over UKL 200 million in the Sheffield and Rotherham areas between 1974 and the early 1980s.

- (iii) The Manpower Services Commission

The Manpower Services Commission, a Government agency, will transfer its headquarters from London to Sheffield over the next few years and create about 500 vacancies for local people, in addition to over 1 000 mobile civil servants moving to Sheffield from elsewhere.

- (iv) Advance factories and industrial sites

A Government programme of advance-factory building costing some UKL 9 million has brought the region's stock of Government-built factories to 75 000 sq.m.

- (v) The Development Commission has undertaken a limited programme of small advance-factory building in rural areas in North Yorkshire and the North Wolds District of Humberside with the aim of helping to stem rural depopulation.

(b) Private sector

- (i) BP Chemicals International Limited will build a new acetic plant at Hull in the next 2 years at a cost of more than UKL 50 million.
- (ii) Reckitt & Colman Ltd (Pharmaceutical Division) are expanding output with a new pharmaceutical factory in Hull at a cost of UKL 7.5 million.
- (iii) Lindsey Oil Refinery Company Limited will complete a fluid catalytic cracking plant on South Humberside within the next 2 years at a cost of nearly UKL 70 million.
- (iv) International Harvester Limited is investing more than UKL 5 million in the expansion of tractor manufacture at Doncaster and Bradford.
- (v) The wool textile industry, largely centred in West Yorkshire, is in the

final stages of completing a major rationalization and modernization programme, involving 200 projects with an overall investment of about UKL 70 million. A second stage scheme of rationalization has begun.

Infrastructure

7 (b) 15. In the West Yorkshire valleys flat, serviced, industrial land is scarce. Industry will continue to be located mostly in the existing urban centres. A number of suitable derelict sites will be redeveloped for industry in Bradford and Halifax. In the lower Calder Valley where topographical constraints are less severe, industrial sites are being created for medium and larger-sized companies. Leeds will foster the diversification of its industrial base, especially by providing industrial units in the areas of the inner city, and in the Hemsworth/Wakefield area investment will be made to replace jobs lost in the coalmining industry.

7 (b) 16. To increase job opportunities on the South Yorkshire Coalfield a number of industrial estates are being developed in and around Barnsley, Doncaster and Sheffield. The Doncaster Carr and Carcroft Industrial Estates at Doncaster, the earlier phase of which have already attracted Fund aid, will continue to be developed and future phases proposed for the period 1978 to 1985 will cost about UKL 6 million in respect of site reclamation, drainage and the construction of estate roads.

7 (b) 17. On Humberside there is a programme for clearing derelict areas in the older parts of Hull to enable new industrial development to take place and the development of the Sutton Fields Industrial Estate at Hull which has already received Fund aid will continue. There is a proposal to redevelop (at an estimated cost of UKL 5 million) for reclamation between 1978 and 1982) an area of derelict docks in the centre of Hull for both commercial and leisure purposes. The

Relief Trunk Sewers and Outfall Scheme (costing UKL 10 million between 1978 and 1983) and a reinforcement of the gas supply will help the Grimsby area to diversify from its fishing industry base.

7 (b) 18. On the North-East Yorkshire Coast Scarborough will, to enhance its attractiveness to visitors, redevelop The Spa at a cost of UKL 1.3 million to provide better facilities for conferences. Although the North Yorkshire area will remain predominantly rural, some industrial sites will be provided to create new job opportunities, notably at Northallerton where there is a project to be implemented between 1978 and 1983 at a cost of UKL 500 000.

7 (b) 19. As far as transport is concerned, the completion of the main east/west road on South Humberside to Immingham and Grimsby by the early 1980s and the opening of the Humber Bridge in 1979 are the top priorities. In addition, 2 other major routes — the completion of the M1 round Leeds to join the A1 North of the city and an improved road between Sheffield and Manchester — are also required. The improvement of the secondary road system — particularly in South Yorkshire — is important both for travel to work and for movement of goods and raw materials; improved facilities in the Humberside ports and other ports in the region are also required. There is also a proposal to improve the Sheffield and South Yorkshire Navigation — a commercial waterway — at a cost of about UKL 8 million.

7 (c). ENGLAND — EAST MIDLANDS

Description

7 (c) 1. The East Midlands Region consists of the counties of Lincolnshire, Leicestershire, Northamptonshire, Derbyshire and Nottinghamshire. It covers an area of 1 560 000 hectares, has a population of

3.73 million, a workforce of 1.5 million, and accounts for 6.5% of the United Kingdom's gross domestic product. Unemployment in June 1977 was 0.080 million, 5.2% of employees.

7 (c) 2. Within the region 3 separate areas have Assisted Area status; all are Intermediate Areas. They are :

- (a) The North Midlands, which is essentially the area of the Nottinghamshire/Derbyshire coalfield;
- (b) North Lincolnshire;
- (c) The High Peak area of Derbyshire.

The Assisted Areas of the region have a population of 0.72 million and 0.25 million employees. Unemployment in June 1977 was 0.014 million, 5.5% of employees. West Derbyshire is a less-favoured agricultural area.

Problems

7 (c) 3. Each of the 3 Assisted Areas within the region has different kinds of problems and these are described in the following paragraphs.

North Midlands

The North Midlands has always depended on its coalmining industry. Since 1965 some 22 000 jobs — virtually half the industry's employment in the area — have been lost. Supporting industries, particularly some of those in the service sector such as railways, and some heavy engineering, have experienced a corresponding decline. The rundown has far outstripped the supply of alternative job opportunities and the net result has been a fall in male job opportunities of about 17 000.

7 (c) 4. Coalmining continues to be of major significance to the area and employs about 23% of the male working population.

Much of the local engineering industry, which employs a further 20% of the male working population, is linked with the coal-mining industry. The service sector, excluding the construction industry, accounts for only some 27% of the male working population compared with 47% in the service sector regionally. The employment base of the North Midlands, therefore, lacks diversity.

7 (c) 5. Male unemployment in June 1977 was 6.0%, whilst the total rate was 5.2%. In the North Midlands the situation is less severe than it could otherwise have been because some of the industries steered to the area over the past few years have started to recruit. There have been reports that firms have cancelled or deferred their investment plans because of the present economic situation and the lack of mobile industry in the recession has meant that recently little development has taken place. Net outward migration has been about 1 000 people a year since 1961, although the rate has slowed down slightly in recent years.

7 (c) 6. Hilly topography and poor drainage make the provision of infrastructure difficult and there is a lack of adequate access roads to old industrial sites. There is also shortage of land for development due to widespread opencast and deep coalmining operations.

North Lincolnshire

7 (c) 7. This is a rural area with no major settlements other than small market towns and coastal resorts. Its dependence on agriculture and associated industries and on summer tourism has led to a highly unstable employment situation. Unemployment is a serious problem in the rural areas and the coastal resorts. Many defence establishments which have provided employment over the years have recently been run down.

Manufacturing industry accounts for only 27% of male jobs. Many employment centres depend on one or two manufacturing concerns and recent closures have shown the local economy to be extremely vulnerable. Unemployment is exacerbated by the distance between areas where employment is available making travel to work difficult. Another factor is the seasonal nature of employment in this area which causes unemployment to rise considerably during winter. In June 1977 8.7% of the male employees were unemployed and in January 1978 in the worst affected area male unemployment rose to 18.4%.

The High Peak

7 (c) 8. Much of the High Peak area consists of hilly country which is a National Park and contains a number of small towns and communities with a total population of 80 000. In June 1977 the total unemployment rate was 3.2%, with a male rate of 3.9%. There are few manufacturing units and they are concerned mainly with textile production. Mineral working is of importance, employing about 8% of working males. Some places in or adjoining the National Park are scarred by unsightly old mineral workings and now-useless processing plant.

Development objectives

7 (c) 9. Although the 3 areas differ considerably in their characteristics they share a common need for industrial renewal through reclamation of derelict land for industrial development, the provision of modern industrial buildings, improvements to their infrastructure and broadening their employment base.

7 (c) 10. In the North Midlands, continuing efforts are needed to improve and vary the industrial structure of the area. Reclamation of derelict land and colliery sites is of

vital importance to this and a number of major schemes have been completed in the last few years, as part of an on-going programme which is continuing steadily. The most immediate infrastructure needs are for improvements to drainage, sewerage, gas and water supplies, roads and reclamation of derelict land to provide industrial sites, and to improve the attraction and amenity of industrial communities wishing to draw new enterprises to them.

7 (c) 11. In North Lincolnshire, new sources of employment are needed. The numbers of unemployed are spread over a wide area so that only fairly small enterprises can be catered for. Increased water supplies and sewerage capacity are very necessary in many parts of Lincolnshire.

7 (c) 12. The High Peak is noted as a tourist area and there is potential for development, the most notable projects being for the restoration of the natural baths premises and the development of the site of the former thermal baths, both at Buxton. Clearance and reclamation of derelict areas improves the attractiveness and enhances the local economy of the National Park and reduces objections to vital new extensions. The major need, however, is for industrial regeneration through the replacement of derelict industrial and commercial buildings.

Development measures

7 (c) 13. Infrastructure and other development proposed by the North Midlands local authorities during the period 1978-80 include new industrial sites and extensions to others already in use. In North Lincolnshire some improvements in water supplies and sewerage capacity are planned for 1978-80 and in the High Peak area there are proposals to develop industrial sites during 1978-80 including the provision of mains services and access roads. The National Coal Board has plans to increase productivity from the Notts/Derby coalfield, transferring

workers from pits in the western part of the coalfield where reserves have become exhausted to others further east. Both Central Government and local authorities are building advance factory units in all Assisted Areas and have a comprehensive programme tailored to meet the needs of the region, bringing the total built to around 12 500 sq.m.

7 (c) 14. Particular industrial projects under way at present include the following :

- (i) Kodak Limited are currently building at Annesley on a 200-hectare site the first stage of a new factory planned to meet their expansion needs over the next 25 years. This first stage totals 28 000 sq.m.
- (ii) Meritina Limited, a textile firm, are currently constructing a 18 500 sq.m. factory at Sutton in Ashfield.

7 (c) 15. To enable substantial industrial development to take place in the Mansfield/Sutton-in-Ashfield/Alfreton area, an important project will be undertaken to improve river drainage, covering about 150 sq.km, and bringing benefit to a larger area than the Intermediate Area.

7 (d). ENGLAND — SOUTH-WEST

Description

7 (d) 1. The South-West Region consists of the counties of Gloucestershire, Wiltshire, Avon, Dorset, Somerset, Devon, Cornwall and the Isles of Scilly. It covers an area of 2 366 000 hectares, has a population of 4.25 million, a workforce of 1.6 million and accounts for 6.9% of the UK's gross domestic product. Unemployment in June 1977 was 0.106 million, 6.7% of employees.

7 (d) 2. The western parts of the region have Assisted Area status :

- (a) North Devon, most of Cornwall and the Isles of Scilly are Development areas,
- (b) West Devon and the rest of Cornwall are Intermediate Areas.

Parts of Cornwall, Devon and Somerset are less-favoured agricultural areas. The Assisted Areas of the region cover 728 000 hectares, with a population of 0.85 million and 0.3 million employees. Unemployment in June 1977 was 0.026 million 9.2% of employees.

Problems

7 (d) 3. Within the region as a whole, the extent of industrialization declines as distance increases from national centres of population and markets. The problems of the South-West Assisted Areas are mainly the problems of underindustrialization, resulting from their peripheral location, rather than from decline of existing manufacturing industries. Specifically :

- (a) individual settlements tend to be small and dispersed and have too few employers to enable decline in one firm to be offset by expansion in others ;
- (b) individual localities often have too few industrial units to make it economic to improve the existing infrastructure and provide too small a market for the establishment locally of other ancillary firms;
- (c) the range of job opportunities is too narrow, so that workers (particularly the young and better educated) tend to commute long distances or to migrate. Moreover, the range of available skills is restricted, activity rates are well below national averages and earnings are similarly markedly below the national average ;
- (d) the area is remote from major markets and has poor communications.

7 (d) 4. The manufacturing sector is relatively small (24% of employment) and the activities of the firms concerned are often related

to local materials, markets or expertise, or are otherwise limited in their opportunities for growth. Plymouth, the largest town in the South-West Assisted Areas, with a district population of 259 100, is over-dependent on the Naval Dockyard. The shipbuilding and repairing industries are dominant employers in Falmouth and Bideford.

7 (d) 5. The settlement pattern of West Cornwall was created by the tin and copper mining industry, most of which was lost to new sources of production in Malaysia and elsewhere a century ago ; this has left substantial dereliction. There has been a small but important recovery in recent years. Changes in the holiday market towards self-catering and camping — the South-West is Britain's most popular holiday area — and in agriculture have led to reduced employment in these sectors in recent years. Moreover, some of the new manufacturing units introduced since 1966, or which had expanded since 1966, often drawn from the prosperous industries of the past decade, have suffered relatively worse during the current recession than the older industries of other Assisted Areas. The construction industry in particular, but also the service trades, has recently done less well than formerly. For these reasons, the level of unemployment in the South-West Development Area has been markedly higher than the national Development Area average since September 1975, some localities being particularly badly affected. The recent changes in fishing limits and regulations to control fish stocks in waters around the UK have resulted in a considerable increase in fishing activity off the coasts of the region, which threatens to deplete stocks there also. The longer-term effects of the changed pattern of fishing for the fishing and fish processing industries in the South-West cannot at present be predicted.

7 (d) 6. The infrastructure problems which hinder industrial and tourism development in the SWAA result from :

- (a) The high cost of development of sites suitable for industrial use in an area of difficult topography ;
- (b) the difficulty of reconciling industrial development with the maintenance of the natural beauty of the area ;
- (c) the inadequacy of communications serving this remote part of Britain, despite expenditure in recent years and major improvements to the main road links ;
- (d) the seasonal demands imposed by tourists, both on communications and on water supplies and sewerage capacity.

Development objectives

7 (d) 7. The overall objectives in the South-West Assisted Areas are :

- (a) To encourage and assist non-manufacturing elements (tourism, agriculture, fishing, mining, office developments) to adapt and develop their potential and to improve the quality of the employment they offer ;
- (b) to encourage and assist the expansion, with greater diversity, of the manufacturing sector, providing at the same time for modernization and other improvements to the security of existing manufacturing employment ; and
- (c) to remedy the deficiencies of the infrastructure which handicap development.

Development measures

7 (d) 8. Much of the need to expand and diversify the manufacturing sector can only be met by attracting new enterprises, which are not seriously affected by the peripheral location. Among major projects planned for the region is a 9 500 sq.m factory to be built by Wellworthy's Limited at Plymouth to produce diesel engine components. This should provide jobs for 400 people.

7 (d) 9. The lack of serviced industrial sites needs to be remedied. The difficulty of

identifying acceptable sites has already been mentioned ; some may be made available by the reclamation of derelict land. The sites are expected to continue to be provided in almost all instances by local authorities. In the South-West, as in other regions, advance factories will continue to be built.

7 (d) 10. Following the improvements to the main road links with the rest of Britain there is now a need to improve the feeder roads to settlements off the primary routes. One such project which has been announced is a 30-mile motorway link from the M5 to Tiverton and on to Barnstaple. Access roads to industrial sites need improvement ; main line and some branch line train services also need to be improved. Ferry links between Plymouth and Roscoff and St Malo in Brittany could be further developed.

7 (d) 11. Tourism is of fundamental importance to virtually all the Assisted Areas, and its development has implications for the future provision of infrastructure, particularly for transport. The area in North Cornwall between Bude and Wadebridge has been selected as a pilot area for the development of the tourist potential of the region. An investment programme over 3 to 4 years is envisaged in this area, to which the Government in conjunction with the English Tourist Board will be contributing UKL 1 million.

7 (d) 12. The 1976 drought showed clearly the need to improve water supplies and sewerage facilities. The absence of modern sewerage has hindered the development of some areas, in particular the Redruth/Camborne area in the industrial centre of Cornwall, and the South-West Water Authority are undertaking projects to improve the situation. The South-West Water Authority plans a capital expenditure programme of UKL 19.1 million in 1977/8, of which UKL 2.7 million will be for the UKL 12.2 million Wimbleball Reservoir scheme. The other major water authority, Wessex, has a capital expenditure programme of UKL 20.5 million in 1977/8.

7 (e). ENGLAND — WEST MIDLANDS

Description

7 (e) 1. The West Midlands Region consists of the counties of Hereford and Worcester, Salop, Staffordshire, West Midlands Metropolitan and Warwickshire. It covers an area of 1 301 000 hectares, has a population of 5 million, a workforce of 2.3 million and accounts for 9.1% of the United Kingdom's gross domestic product. Unemployment in June 1977 was 0.12 million, 5.4% of employees.

7 (e) 2. The only part of the region having Assisted-Area status is the extreme north-west of Salop: the Oswestry Intermediate Area, part of which, with north-east Staffordshire, south-west Hereford and Worcester and some of the south and west of Salop, is also a less-favoured agricultural area. The Assisted Areas of the region cover 45 000 hectares with a population of 0.04 million and 13 000 employees. Unemployment in June 1977 was 7.6% of employees.

7 (e) 3. A great proportion of those registered as unemployed in the Oswestry Intermediate Area are over 40, some being disabled ex-miners. Agriculture is still important, employing 8% of the insured employees—a larger proportion than any of the individual manufacturing sectors. The main manufacturing sectors are food and drink (7.5%), mechanical engineering (6.0%) and the metal industry (2.6%) while the service sector (including the construction industry) accounts for 66% of the total insured employees. However, recently unemployment has increased rapidly among young age groups, particularly 16 to 19 year olds. The numbers of unemployed are particularly high in Oswestry itself, and also in the neighbouring villages.

7 (e) 4. The two main centres of population in the Oswestry Intermediate Area are the

towns of Oswestry and Ellesmere, small market towns between the flat agricultural land of central Salop and the foothills of the Welsh mountains. The Intermediate Area is bounded on three sides by the Welsh Development Area and is rather isolated from the main industrial centres of the West Midlands. Severe job losses resulted over several years from the successive closures of the British Railways' workshops, the Ifton Colliery and some large military establishments which caused the level of unemployment to rise above the national average and it has continued to be unacceptably high. The area experiences a small net loss from migration. A major handicap is the lack of existing vacant industrial premises and the resources to build advance factories. Such premises are important in enabling an area to attract small mobile projects, and the lack of them has meant the loss of several potential new developments.

Development objectives

7 (e) 5. The Oswestry Intermediate Area's structure is such that it makes sense to concentrate resources in the two main centres of population. The area's main objective is to keep a steady build-up of employment by encouraging smaller and medium-sized developments.

Development measures

7 (e) 6. The main contribution to the economic development of the Oswestry Intermediate Area is likely to result from the development by the local authority of industrial estates, particularly at Maesbury Road, Oswestry and the former mining village of St Martins, and from the reclamation of derelict land in the area. Assistance from the Fund has already been approved in respect of the Maesbury Road industrial estate. The Development Commission, acting in cooperation with the Department of Industry, has

already provided one factory on this estate. In August 1977 the Development Commission approved the provision between 1978 and 1982 of another 5 factories, 3 to be located at Maesbury Road, and 2 at St Martins. Major improvements to the main A5 trunk road on the stretch between Shrewsbury and Rhoswel are under consideration; these may include a by-pass for Oswestry, and, taken together with a proposed by-pass for nearby Chirk, would improve communications between Wales and the English Border areas where Oswestry is situated. A scheme to improve sewerage capacity in Oswestry has started, and is due to be completed by about 1980.

7 (f). ENGLAND — NORTH-WEST

7 (f) 1. The North-West Region consists of the counties of Lancashire, Cheshire, Greater Manchester and Merseyside. It covers an area of some 731 000 hectares and has a population of 6.5 million with a workforce of just under 3 million. The North-West accounts for 11.3% of the United Kingdom's gross domestic product. Unemployment in June 1977 was over 0.2 million, 7.5% of employees; the problem is particularly acute among the under-25 age group.

7 (f) 2. The Region is divided into two Assisted Areas :

- (a) the Merseyside Special Development Area ; and
- (b) the North-West Intermediate Area.

Within each of these there is an inner city area (Liverpool and Manchester/Salford) which has been designated by the Government to receive priority treatment on a partnership basis, through special programmes and additional resources. Part of the region is also a less-favoured agricultural area.

Problems

7 (f) 3. The North-West was one of the centres of the Industrial Revolution but although some new industries have developed subsequently, its economy is in need of general reinforcement and renewal. The same need to replace and bring up to modern standards exists with housing and other social infrastructures. The main need is to adapt and re-build, and projects — both large and small — are required to surmount the particular difficulties arising because of the demands being made on outworn and unsuitable facilities. The carrying out of all these improvements will help the restoration of the region's prosperity.

7 (f) 4. Past dependence on older industries has intensified the structural problems created by national economic changes. Over the past 25 years all parts of the region have been affected by substantial losses of employment opportunities — in textiles, clothing, coalmining, metal manufacture, port and inland distribution, shipbuilding and ship-repairing — and the newer industries — electronics, electrical engineering and machine tools — have reduced employment as a result of technological and market changes.

7 (f) 5. The region has had some success in generating or attracting employment growth, notably a substantial motor industry in the 1960s, and a continuing growth of the capital-intensive petroleum and chemical industries ; it has also experienced growth in advanced technology, in manufacturing, in research and development services, in employment-creating defence industries, and in sophisticated tertiary sector activities. Nevertheless the region has suffered large scale contraction in overall employment and job losses have not been made good. Whilst there is now a more diverse economy in the region as a whole industrial employment in some localities within it has been severely depleted — particularly in the inner parts of the two major conurbations — and they are continuing to suffer imbalance and loss of employment.

Merseyside

7 (f) 6. The problems have been worst in the Merseyside Special Development Area. The long-term problem stems from changes in trading patterns affecting the Port of Liverpool, which is at a disadvantage compared with eastern and southern ports for trade with Europe. Modernization and rationalization of the Port and its ancillary services — particularly by major users such as the oil industry — have brought about a major contraction of employment, not only in the docks themselves, but also in port-related industries and services. Nevertheless the Port of Liverpool remains a key element in the economic life of the region.

7 (f) 7. Other parts of the area have in the recent past suffered from permanent closures through rationalization or market changes, e.g. in electrical engineering, while current economic pressures continue to induce closures or manpower saving in consumer goods industries and capital intensive sectors ; both of these are well represented in the local economy.

7 (f) 8. The Merseyside Special Development Area experienced a net loss of jobs at the rate of 5 000 per annum in 1971 to 1975 and notified redundancies, at a continuing high level during 1976 and 1977, have contributed to a further high net loss. An exceptionally high birth rate in the past means there is now an exceptionally young and fast expanding workforce. The area has had over recent years a persistent record of high unemployment ; in June 1977 there were 84 000 registered as unemployed. The rate of unemployment at 11.1% was almost twice the United Kingdom average of 6.2% while the male rate of 12.9% (60 000) contrasted with a United Kingdom figure of 7.4%. New employment growth in the past has been in the suburban peripheral areas (including the Cheshire fringes within the Special Development Area) or in the new towns of Runcorn and Skelmersdale; but

gains have not been sufficient overall to cover losses — indeed even Skelmersdale is now suffering severely from the closure of major firms — and the main weight of the employment decline has fallen on the inner areas, which have not been able to offer industrial facilities comparable with those on the periphery.

7 (f) 9. The shift of population outward within the Merseyside sub-region, both planned and voluntary, has not been enough to reduce unemployment; indeed to some extent it has aggravated the problem, as clearance programmes have led to the loss of inner area jobs at a disproportionately high rate. A recent Government-sponsored study of inner Liverpool calculated that in parts of it in 1975 a third of the resident males were unemployed. This situation has not improved, and inner Merseyside suffers particularly acutely from the general unemployment problem of Merseyside. It has also concentrated in the inner area the characteristics of lack of skill and social deprivation and furthered the process of environmental decline and falling investment in infrastructure and industrial property. The visual impact of this decline is striking as no less than 457 hectares of land in areas close to the centre of Liverpool lie barren awaiting the investment which can turn them to productive use. In recognition of these problems, inner Liverpool has been chosen recently as one of the priority areas for action under the national policy of regeneration of inner cities.

Rest of the region

7 (f) 10. The rest of the region also contains severe inner city problems and, overall, has sustained serious employment decline. The prime causes of this are :

- (a) rationalization of the heavy electrical engineering, steel and machine tool industries ; and
- (b) job losses in textiles, clothing, footwear and coalmining.

These industrial losses have been felt acutely in Greater Manchester. It was recently estimated that, between 1966 and 1975, some 42 000 manufacturing jobs (4 500 a year) were lost in the inner area of Manchester/Salford. The basic economic problems of this area are a combination of an outward flow of people and jobs, obsolete industrial premises and general industrial decline. The growth of service-sector jobs in the offices and shops of the centre has not been sufficient to offset this decline and there is evidence of a growing disparity between the skills of the resident population of the inner areas and the jobs available. The Government has again recognized these special problems through a partnership arrangement under the inner cities programme. Towns to the west of Manchester which have suffered decline in coal and steel employment and those to the north and east of Manchester, still vulnerable to decline in employment in the textile industry — in which spinning is dominant — also have problems of old and decaying buildings; to the west there are extensive areas of spoiled and derelict land; Wigan has particularly high unemployment (9.2% in June 1977).

7 (f) 11. Unemployment in Greater Manchester as a whole and in other parts of the region, notably East Lancashire, has been masked by outward migration and by a reducing activity rate amongst males. Nevertheless, pockets of high unemployment remain. Urgent action is needed to deal with the massive legacy of outdated and poorly sited industrial buildings, obsolete and inadequate infrastructure and an unattractive urban environment. A particular problem throughout the region is the replacement of water and sewerage systems. As in Merseyside the problems are most acute at the centre of the older towns where the buildings and services are at their oldest and decline has led to a reduction in local financial resources. Although modernization of many urban areas is proceeding gradually a large task of renewal still lies ahead. The most serious

problems in the counties of Lancashire and Cheshire are :

- (a) East Lancashire (Blackburn, Burnley and district) with 50 years of textile decline, a vanishing coalmining industry and outward migration (particularly of younger people) and major infrastructure renewal problems.
- (b) North Lancashire (Lancaster and Morecambe area) which is relatively isolated with a small and vulnerable manufacturing base drastically reduced over the past 10 years and high unemployment made worse by the seasonal nature of its tourist industry.
- (c) The Lancashire coastal areas (Fylde and Southport) with high unemployment, outward migration of younger people and an unhealthy dependence on seasonal activities (tourism) and deep-sea fishing — one in five of the jobs in Fleetwood are in fishing and related industries.
- (d) Parts of Cheshire (including the Welsh border area and some towns in the centre of the county) have recurring unemployment problems and in many places there is heavy dependence on a single firm or on one industrial sector.

Prospects

7 (f) 12. The size of total population has passed its peak in the region and outward migration is now being reinforced by a falling birth rate. The higher birth rates of the past, however, are now working into the labour force

7 (f) 13. The economic pressures are for improved productivity, upgraded technology and manpower saving and this will lead to an excess of supply over demand for manpower. Growth in the tertiary sector is unlikely, at least in the next 3 years, to make the major contribution which it has done in the past and the region's vulnerability is increased by its manufacturing bias.

7 (f) 14. Prospects for individual areas vary but overall they remain poor. In Merseyside 3 industries based in the inner area face problems : a major unit of the telecommunications industry (Plessey Limited) is in the process of adjustment to technological and market changes with major cuts in employment; a major United Kingdom cane-sugar refinery (Tate and Lyle Limited) will reduce its output, and the new products for diversification of employment will take time to develop; a major unit of the United Kingdom shipbuilding industry (Cammell Laird) has been modernized but must suffer some effects from the world shipbuilding recession. Among the few favourable prospects are : a new car production line at Ellesmere Port (Vauxhall) with substantial recruitment; and a development by the petroleum/chemical industry (Shell) also at Ellesmere Port, which is likely to contribute substantial employment in the construction phase. In the rest of the region, the outstanding features are the rationalization of the heavy electrical engineering industry in the Manchester area and the difficulties of the textile industry in Greater Manchester/East Lancashire. In particular the spinning industry, despite its modernization, is losing ground in a falling home market to persisting volumes of low-price imports, with an early risk of unit closures and accumulating loss of employment. Much of the weaving and clothing industry is similarly vulnerable. In central Lancashire however major investment with resulting additional employment has been undertaken by the heavy commercial vehicle industry.

Development measures

7 (f) 15. Direct manufacturing investment over the next 3 years is unpredictable. It will come largely from the private sector, with Government support as opportunity occurs. It is likely, however, to include food and drink, petroleum, chemicals and related industries, metal forming and all types of engineering, textiles, furniture, paper, rubber and plastics. In the services sector some

growth is expected in distributive, administrative and research and development operations. Plans are well advanced for the implementation of Government office dispersal from London involving a total of 7 000 posts: the majority are expected to be taken up beyond 1980 but office building, notably in Merseyside, should be under way in the next 3 years.

7 (f) 16. Priority for projects creating and maintaining employment will be given to Merseyside. Promotion should become more effective following a study now being launched to identify additional activities that seem suited to the Port and its inner-city environs. Supporting advisory services directed particularly to small firms are being developed by central and local government. These will be supported by a general programme of Government advance factory building of various sizes at locations including Knowsley, Huyton, Netherton, Bootle, St Helens, Speke, Gill Moss, Bromborough and Ellesmere Port. Increasing emphasis is being placed on the needs of central Merseyside. Measures to sustain employment by modernization of plant and buildings and to encourage new enterprise are already being taken and they include Government advance factory building extending from present projects at Sandon Way (Liverpool) and Rockferry (Birkenhead) to forthcoming projects at King Edward Street and Grain Street (Liverpool) and similar inner-city sites. A complementary programme by the local authorities includes acquisition and servicing of industrial sites and the creation of an Industrial Improvement Area; associated environmental improvement works; and grants and loans for building construction/conversion and for workshop and factory building in inner Liverpool. A comprehensive programme of further measures is to be prepared shortly. Throughout Merseyside further provision and servicing of industrial sites, combined with the renewal of basic services will proceed as fast as financial resources allow. The creation of new facilities for the

centralized disposal of industrial waste is important, and ERDF assistance has been approved for the building of a refuse plant/transfer station at Knowsley.

7 (f) 17. Other parts of the region need employment-creating projects also. Advance factory building by central Government will be undertaken at focal points where employment needs are greatest or where modernization of industrial property is most needed. These include Lancaster, the coastal towns, parts of East Lancashire and parts of Greater Manchester. As in Liverpool, central and local government will be combining their efforts to further the economic regeneration of inner Manchester and Salford. Projects already starting include factory building, modernization by means of Industrial Improvement Areas, and industrial site servicing. Work on a comprehensive programme of measures needed to regenerate this area is shortly to be started. The preparation and servicing of industrial sites and the renewal of basic services is a priority commitment of local government in all parts of the region and will proceed as fast as resources allow. In some parts of the region, the development of tourist and holiday facilities is essential to the local economy.

7 (f) 18. Road, rail, air and sea communications need to be continuously adapted to the developing needs of the region and to new opportunities. Manchester International Airport is expected to increase its passenger traffic from 3 million to 5 million or more by the early 1990s with the development of consequential facilities. The full effects of EEC membership on the traditional patterns of trade of all North-West ports have yet to be realized ; for these, and for Liverpool in particular as major employer in Merseyside, further new and replacement facilities will be needed to sustain trade. However, access to and from east coast ports is seen as an important strategic consideration. Throughout the region the roads construction programme will contribute to maintain-

ing and increasing employment, by concentrating available resources on further improvements of access to the ports, provision of direct access to new industrial sites, modernization of road access and creation of further links to the national motorway network, and general relief of congestion in the towns for both commercial and environmental reasons.

7 (f) 19. The construction of the M65 Calder Valley Motorway will be an important element in the industrial regeneration of East Lancashire. The Barracks Interchange/Brierfield Link section of the Motorway will cost UKL 11 million, and follows the construction of advance bridgeworks at Burnley which already receives assistance from the Fund and is connected with the Lomeshaye Industrial Estate, another recipient of Fund aid.

7 (g). SCOTLAND

Description

7 (g) 1. Scotland covers an area of 7 877 000 hectares, has a population of 5.2 million, a workforce of 2.2 million and accounts for 8.9% of the United Kingdom's gross domestic product. Unemployment in June 1977 was 0.18 million, 8.6 % of employees.

7 (g) 2. Most of the country has Development Area status, within which 6 areas are Special Development Areas (see Annex 1). The exception is the Aberdeen travel-to-work area which has Intermediate Area status. Large parts of the country are less-favoured agricultural areas.

7 (g) 3. Since the 1930s important parts of Scotland have qualified for Assisted-Area status in recognition of their severe economic problems, associated with more rapid employment losses, higher unemployment and emigration and lower GDP per head than in the United Kingdom.

7 (g) 4. The country is divided into 9 administrative regions and 3 island areas. Most

of the population lives in the heavily industrialized regions of central Scotland where economic problems reflect the decline of nineteenth-century manufacturing industries and the need for redevelopment of the urban infrastructure. Other regions are largely rural in character, heavily dependent on agriculture, fishing, or single industries such as wool textiles. Much of this area consists of mountainous terrain or islands and this results in communications difficulties and relatively high transport costs. Population movements, the growth of new industries in the post-war period and more recently North Sea oil have led to significant shifts in the balance between different regions.

Problems

7 (g) 5. *Scotland as a whole.* During the last 20 years it is estimated that about 200 000 jobs have been lost in Scotland in the key industries of coal, shipbuilding, steel, railway-vehicle manufacture, textiles and agriculture alone. Over the period 1965-75, despite strengthened regional policy measures in the 1960s and the impact of North Sea oil in the 1970s, total employment declined by about 40 000 (1.9%) a fall of over 150 000 in the primary, manufacturing and construction sectors being only partly offset by an increase in services. The fall in male employment (—133 000) was exceptionally severe, while female employment increased by 94 000.

7 (g) 6. Some improvements have however taken place: it is estimated that in 1976 the number of manufacturing jobs provided in Scotland by immigrant firms which were established there after 1945 was over 120 000, including in particular firms in the motor vehicle and electrical engineering sectors; while during the early 1970s the development of North Sea oil benefited several industries, for example mechanical engineering. These changes resulted in an improvement in the Scotland: United Kingdom relative unemployment rates and a fall in Scotland's net

migration loss, but there are signs that this improvement may not be sustained for the rest of this decade.

7 (g) 7. *Regions of Central Scotland and Grampian.* This area encompasses the regions of Strathclyde, Lothian, Tayside, Grampian, Fife and Central. *Strathclyde*, which contains about half of Scotland's population, presents the most formidable problem of regional development in Scotland. The principal industries with declining employment, notably shipbuilding, steel, textiles, coalmining and heavy engineering are heavily represented in this area. Over the period 1965-75 employment fell by about 65 000 (—6%), much more rapidly than in Scotland as a whole; unemployment has been consistently about one-fifth higher than Scottish average, and net emigration has been proportionately higher than in any other region of the United Kingdom, averaging a net loss of about 20 000 people per annum (nearly 1% of the total population annually) in recent years. The problems of industrial decline are paralleled by poor housing, environmental and social conditions which have persisted despite a massive house-building and urban development programme: data from the 1971 Census shows that Clydeside contained a very large share of the worst areas of concentrated social deprivation in the United Kingdom.

7 (g) 8. Employment also fell in the *Lothian* region between 1965 (—11 000) but with the prospect of further office and service-sector growth based on Edinburgh and a much less rapid decline than in the past in industries such as coalmining and paper, future trends to the end of the decade are likely to be more favourable. In *Tayside*, where employment decreased by about 6 000 between 1965 and 1975, the prospect for a major change in trends is less good. Many of the region's problems centre on the city of Dundee where there has been a massive rundown of employment in the jute industry (a loss of about 13 000 jobs in the last 20 years); further decline is likely.

7 (g) 9. *Grampian* region which encompasses the City of Aberdeen and a large rural hinterland has become the main centre of North Sea oil-related employment in Scotland and this rapid growth has meant that the region which in the 1960s was a region of declining employment and net migration loss has become an area of rapid expansion of jobs and population with low unemployment rates. Although total Scottish oil-related employment is likely to decline, Grampian's interest in servicing the production phases offers favourable prospects for Aberdeen in particular. The rapid growth experienced since 1970 has put severe pressure on local infrastructure, particularly housing, schools and roads, and local industry has experienced high costs of capital re-equipment forced on them by the greater competition for labour. Favourable employment figures tend to mask continuing weaknesses in the established manufacturing sector which, despite an increase in oil-related manufacturing, still appears to be declining at a rate similar to that of Great Britain as a whole.

7 (g) 10. The remaining regions of central Scotland, Fife and Central, both contain a mixture of industrialized towns and more rural areas. *Fife* experienced employment growth over the period 1965-75, particularly as a result of its success in attracting mobile plants in the electronics industry in compensation for a decline in coalmining and other sectors. The future outlook is however less favourable because of the lack of new industrial developments although there is now the possibility of petrochemical development. *Central* region also faces a continuing task of industrial restructuring in response to the decline in coalmining, textiles and metal manufacture. The rural parts of the region depend heavily on agriculture and tourism, where further investment is needed.

7 (g) 11. *Other regions*. The remaining regions or island areas, Borders, Dumfries and Galloway, Highland, Western Isles, Orkney and Shetland are all predominantly rural in character and share to differing de-

grees problems of relative isolation and fragile economies. *Borders*, despite successful efforts to encourage small-scale manufacturing industry in the early 1970s, remains heavily dependent on a limited number of industries, particularly agriculture and wool textiles, in both of which some further decline in employment can be expected although at a less rapid rate than in the past. *Dumfries and Galloway* also has a relatively high proportion of its employment in agriculture (13½%) compared with other parts of Scotland and, particularly in the more isolated western part of the region, there are pockets of very high unemployment. Both the Borders and Dumfries and Galloway have substantial areas under afforestation, and the transport of timber may necessitate road improvements.

7 (g) 12. The *Highland* region covers a large area of northern Scotland, a large proportion of which is mountainous and remote from the main centres of population. Land and sea communication links present special problems and much of the area is unsuited to large scale manufacturing industry. Traditional industries such as agriculture have declined in employment and the Highlands have a long history of rural depopulation and net emigration. A number of large new plants (notably the pulp mill at Fort William and the aluminium smelter at Invergordon) have been introduced in recent years, while the scenic attractions of the region provide the base for a growing tourist industry.

The most significant recent impact on employment and population trends has however come from oil-related industry, particularly the siting of a few very large plants (mostly platform yards) mainly on the Moray and Cromarty Firths near Inverness. These developments have placed considerable pressures on the local infrastructure as population has grown rapidly. The major oil developments are dependent on individual contracts and so future employment levels are subject to fluctuation and uncertainty. At the same time the traditional problems of

many of the other parts of the region remain, and have to some extent been increased by the arrival of oil.

7 (g) 13. The island authorities, Western Isles, Orkney and Shetland, all have very small populations (about 30 000, 17 000 and 18 000 respectively). The *Western Isles* have for a long period experienced extremely high male unemployment (19.1% in June 1977) and a narrow employment base in which agriculture, fishing and textiles (Harris Tweed) are predominant. The last industry in particular has faced severe problems of falling demand and consequent loss of employment in recent years. *Orkney's* economy has until recently been mainly dependent on relatively prosperous agriculture and food processing industries, but it has benefited from the discovery of North Sea oil and associated development. The recent upward trend in population is therefore likely to continue over the next few years, although many of the outer islands in the Orkney group are not affected by oil and face the prospect of a further decline in population. *Shetland*, the most remote part of the United Kingdom, has been traditionally dependent on fishing, fish processing and knitwear. North Sea oil developments have provided a valuable source of alternative employment when the traditional industries suffered a decline in 1974 and 1975. The probable number of permanent jobs from oil is much less than during the present construction phase and it has yet to be seen how far the island's traditional industries can support the new level of population in the longer term.

Prospects

7 (g) 14. There is still a greater proportion of employment in sectors such as shipbuilding and steel in Scotland than in the United Kingdom as a whole and the process of structural change is not yet at an end. The present considerable world overcapacity in shipbuilding is likely to result in declining employment in shipbuilding, marine engineer-

ing and related industries. The Scottish steel industry is in the process of a major modernization programme, involving the phasing out of the older labour-intensive furnaces and the provision of new facilities; employment will however continue to decline as the older methods of production are replaced and this decline may be worsened by the present world overcapacity. A further decline in employment must also be expected in the agriculture, coalmining and textile sectors as a result of rationalization, increased productivity, falling demand and, in the case of coal, geological circumstances. In addition, the period of very rapid growth in North Sea oil-related employment (from a negligible number in 1970 to a total estimated figure of direct and indirect jobs of over 50 000 in 1976) is now at an end. The Government however sees an opportunity for further investment in the petrochemical industry in which a key factor could be the availability of heavy natural gases from the North Sea oilfields. Any new development is likely to demand major marine facilities and other infrastructure.

Development objectives

7 (g) 15. The application of regional policy measures and the impact of North Sea oil have been instrumental in achieving a considerable degree of success in meeting this objective in Scotland — since the mid-1960s Scotland's unemployment rate has changed from a level over twice as high as the United Kingdom rate to a fifth higher, and the net annual loss through emigration has declined from over 40 000 in the mid-1960s to under half this level in the period 1972-75. However, it is clear that in a situation of further decline in some traditional industries, a levelling off in the rate of growth of oil-related employment, and a less favourable outlook for mobile industry, it will be difficult to hold this improvement throughout the rest of the decade. This concern is increased by the slight deterioration which has taken place in

Scotland's relative unemployment position since mid-1976.

7 (g) 16. In terms of geographical priorities, the most pressing problem is that of Strathclyde (particularly Glasgow and Clydeside). Despite the scale of the run-down in the past, the region has the potential to support a fully competitive industrial base if the necessary industrial restructuring and modernized infrastructure can be achieved. Other older areas requiring urgent industrial regeneration are Tayside (particularly Dundee) and to a lesser extent parts of Fife and Central regions. Most of the more isolated parts of the rural regions require smaller scale industrial development, assistance to agriculture, fishing and tourism, and the modernization of infrastructure, particularly in the key settlements. Grampian, Shetland and parts of the Highland region (including Moray Firth in particular) face the largest requirements for additional infrastructure to accommodate oil-related growth, and also require support for their traditional industries on which they will continue to depend in the longer term.

Development measures

7 (g) 17. In addition to the main measures for regional development in the United Kingdom which have been described in Section 4 and Annex 2, there are three special agencies of regional development operating in Scotland:

(a) *The Scottish Development Agency*, established in December 1975. It assumed responsibility for factory building and assistance for small firms in rural areas hitherto exercised by the Scottish Industrial Estates Corporation (SIEC) and the Small Industries Council for Rural Areas of Scotland (SICRAS). Its principal objectives are to further the development of the economy, to create and safeguard employment, and to improve the environment. To these ends it has power to invest in industry and to create

new companies, to provide finance and advice to industry, to build and manage industrial estates, and lease factories to industrialists (with rent free periods in appropriate cases) and to rehabilitate derelict land and generally improve the environment. In carrying out these functions it has a considerable degree of operational freedom within general guidelines made by the Secretary of State. Its Industrial Investment Guidelines, in particular, require the Agency to operate according to commercial criteria in its investment activities. The Agency operates throughout Scotland. In its first two years of operation, the Agency has invested over UKL 11 million in a number of Scottish companies covering a wide spectrum of industry and has announced 3 advance factory programmes costing over UKL 13 million which will provide some 43 000 sq.m. of factory space. It is also committed to spending over UKL 30 million on environmental and derelict land clearance schemes. It also has a major coordinating role in the rehabilitation of a large area in the East End of Glasgow which suffers severe problems of urban deprivation.

(b) *The Highlands and Islands Development Board*, established in 1965, is empowered to give selective financial assistance by way of grant, loan or equity participation, or by a combination of such assistance, to any person carrying on or proposing to carry on any activity which will contribute to the economic or social development of the Board's area. This assistance covers industrial and commercial projects over a wide range of productive and service industries including tourism, fisheries, agriculture and horticulture.

The estimated expenditure in 1977-78 for these purposes is UKL 6.5 million. In addition to normal assistance which is comparable to that available under the Industry Act 1972 (see Annex 2) the

HIDB can give a special supplementary grant in special circumstances. The Board can also acquire land, build premises for lease for industrial and commercial use, including factories, hotels and tourist information centres, provide equipment and training and advisory services, commission investigations and surveys, and set up businesses. The estimated expenditure for 1977-78 for these purposes is UKL 5.5 million.

- (c) *The Scottish Tourist Board*, established in 1969 may give financial assistance for projects in Development or Special Development Areas which will provide or improve tourist amenities and facilities. Its prime role is to promote tourism as a contribution to regional economic development. Concentration of resources in major tourism developments including the provision of necessary infrastructure would help considerably in this role.

7 (g) 18. The New Towns are another and longer-established instrument of development. Scotland has 5 New Towns set up in the post-war period (East Kilbride, Cumbernauld and Irvine in Strathclyde, Glenrothes in Fife, and Livingston in Lothian) involving Government expenditure of over UKL 350 million to date. They have played a major part in assisting the dispersal of population from the congested parts of Glasgow (over 55 000 new houses in high-quality environments have been provided), but increasingly their main role is to encourage economic and employment growth by attracting new industry. Total manufacturing employment in the New Towns in 1977 was about 42 000.

7 (g) 19. A special effort is being made by the Government to create office employment, particularly in Strathclyde, to provide a better balance of job opportunities. In addition to the incentives available to private offices and services (see Annex 2) the Government has announced that a significant number of Civil Service jobs are to be transferred to the Glasgow area in the early and mid-1980s from departments' headquarters

in the London area while the headquarters of the British National Oil Corporation and the Scottish Development Agency have been located in Glasgow.

7 (g) 20. An important share of the development undertaken in Scotland by established industry is carried out by companies which have moved into Scotland during the post-war period. Companies from overseas include General Motors who are expanding their factory in Newhouse and expect to employ about 500 additional workers and Air Products Limited who are planning to set up an operation at Cumbernauld to provide about 80 jobs. Cape Board Panels Limited, who moved into Scotland from England, have embarked on a UKL 2 million expansion scheme at Springburn, Glasgow, aimed at providing about 130 jobs. There are also some important developments being undertaken by long established companies, the Distillers Company, for example, are building a UKL 25 million blending and bottling complex in Glasgow to provide 600 jobs by 1980 and in Markinch, Tullis Russell Limited expect their new UKL 14 million paper mill project to provide about 120 jobs.

7 (g) 21. As is to be expected, moves into Scotland have been very limited during the current recession but some new developments are taking place. Digital Equipment Limited, for example, opened a UKL 3 million plant at Ayr to provide 500 jobs by 1980. Tandberg Limited have a UKL 1 million plan to treble the size of the factory at which they have just started production at Haddington and this will provide an extra 130 jobs, while at Livingston the Crown Cork Co. Ltd has set up a plant which is expected to provide employment for about 130.

7 (g) 22. Substantial public investment in infrastructure in support of regional policy has been undertaken over the last decade and is continuing. This involves the modernization and renewal of existing facilities as well as their expansion and the creation of new facilities. At existing *ports* the continuing work of modernization, extension or replace-

ment of inadequate facilities is essential to meet changes in the pattern of trade and industry and in intensity of use. The construction of a new iron-ore importing jetty at Hunterston on the Clyde is under way and is being supported by the European Regional Development Fund. In response to demands for the servicing of offshore oil over 70 supply berths are available on the east coast from Leith in Edinburgh to Lerwick in Shetland and 3 major tanker terminals have been completed or are under construction. Investment in *railways* over the next few years is planned, to make further improvements in the Glasgow area (the 'Clyde rail' scheme) and to improve the Perth-Inverness line in connection with the growth in oil-related traffic. Scotland has a network of modern *motorways* linking the main centres of population in the central belt and schemes are currently under way or planned to extend this system, provide essential links from it to important developing areas and also accommodate the requirements of oil-related growth, notably by the continuing programme of reconstruction of the A9 trunk road to Inverness. Major investment has recently taken place or is currently under way to develop Scotland's principal *airports*, including especially Glasgow, Edinburgh, Aberdeen, Inverness and Sumburgh (Shetland).

7 (g) 23. A number of other types of infrastructure are important components of regional development. The *Scottish Special Housing Association* is a Government agency which supplements the efforts of local authorities in providing new houses for incoming workers in connection with new industrial development and also contributes to urban redevelopment and modernization schemes such as that planned for the East End of Glasgow. Local authorities also have their own *industrial estates* to stimulate new industry and the provision of these estates, of access roads and of services to them form an important constituent of local authority claims on the Regional Development Fund.

The Scottish Development Agency is also responsible for the *derelict land clearance programme*. The South of Scotland Electricity Board and the North of Scotland Hydro-electric Board plan and operate their generating and transmission systems on a joint basis. European Investment Bank loans have met part of the cost of new generating stations at Hunterston (operational 1976-77) and Peterhead (operational 1979-80), new transmission schemes associated with the Peterhead and Inverkip stations, a new transmission line to Skye, and a new transmission and distribution system (including a gas turbine generator) on the Orkney Islands of Graemsay, Hoy and Flotta. Both Boards are undertaking further small-scale developments to improve industrial supplies throughout Scotland, and the Hydro-electric Board is also engaged in a 5-year programme of rural electrification.

7 (g) 24. Both the Edinburgh area and Fife require substantial *new water supply schemes* which will be of considerable benefit to industry in the short or long-term and work on the Megget and Castlehill reservoirs is proceeding. Elsewhere industrial development at Hunterston and in the Grampian Region in particular require new water provision. As regards the treatment of industrial effluent and domestic sewage higher standards of discharge to river and tidal waters from industrial development require substantial investment in new treatment works particularly at Glasgow, Edinburgh, Dundee and Aberdeen but also on the Clyde coast for the drainage of the Garnock and Irvine Valleys where development is taking place.

7 (h). WALES

Description

7 (h) 1. Wales covers an area of 2 077 000 hectares. It has a population of 2.8 million, a workforce of 1.2 million and accounts for 4.3% of the UK gross domestic product.

Unemployment in June 1977 amounted to nearly 80 000 — 7.6% of employees.

7 (h) 2. The whole of Wales is an Assisted Area. There are two Intermediate Areas, one in the south-east and the other along the north-east coast of Wales. The whole of the remainder is a Development Area, the latest addition being Deeside in Clwyd which was raised from Intermediate to Development Area status in 1977. North-West Wales and the industrial valleys of South Wales have Special Development Area status. Much of the upland area of Wales is also classed as a less-favoured agricultural area.

Background

7 (h) 3. The long-term problem with which Wales has had to contend has been declining employment in basic industries — coal, steel and agriculture. Between 1965 and 1975, employment in mining and quarrying fell by 52 000 (55%), in metal manufacture by 16 000 (16%) and in agriculture by 13 000 (33% — employees only). Unemployment has remained persistently high, averaging about 1½ times that of the UK as a whole. Activity rates are low, particularly for women. More localized problems include the virtual disappearance of the slate industry in the North-West and the decline in the man-made fibre industry in North-East Wales. During the last 10 years male employment fell by 90 000 (13%), which was only partially offset by an increase of 60 000 (19%) in females in employment — including many part-time workers — so that overall employment declined by 3 % (1½ times the rate for the UK as a whole).

7 (h) 4. The decline in employment has resulted in net migration from both industrial and rural areas particularly of younger persons. Inward migration of retired persons to live along the north coast and in South-West Wales has occurred in recent years.

7 (h) 5. Successive Governments have given encouragement to new industry, including

the tourist industry in an effort to create as wide a spectrum of employment opportunities as possible. Between 1965 and 1975, it is estimated that regional policy helped to stimulate some UKL 1 600 million (at current prices) of manufacturers' capital investment in Wales (7% of UK total). This has gone some way towards modernizing the capital stock, particularly that of capital-intensive industries. Net output per manufacturing employee in Wales is only exceeded in the UK by South-East England but the need to create still more jobs is illustrated by the fact that *per capita* gross domestic product in Wales in 1975 was still only 88% of the UK average.

7 (h) 6. Priority has been given to infrastructure measures designed to overcome the disadvantages which arise from Wales' location on the western periphery of Great Britain, including improvement of communications linking Wales to the populous areas of London, the Midlands and the North-West. To attract modern manufacturing industry on the scale required, continuing investment on a considerable scale has been necessary to establish and serve industrial estates in areas hitherto dependent on basic industries developed in the last century, and to provide facilities for the training of labour in new skills. In the following paragraphs the problems of particular areas are examined.

Industrial South Wales

7 (h) 7. Two-thirds of the population in Wales live in the Counties of Gwent, Mid, South and West Glamorgan and the district of Llanelli in the County of Dyfed. Employment in coalmining has continued to decline over the past decade — by over 50% to its present level of 30 000. The impact of the British Steel Corporation's strategy of rationalizing and concentrating development of the industry is also being severely felt. Between 1972 and 1979 over 4 000 jobs will be lost in steelmaking at the Ebbw Vale

works creating serious unemployment in an area where almost half the male population work in the steel industry. A further 3 900 jobs will be lost as a result of the closure of the East Moors Steelworks at Cardiff. In West Glamorgan 1 000 job opportunities are being lost with the closure of the Duport Steelworks at Briton Ferry and 240 jobs at Swansea as the result of rationalization of BSC foundry operations. Further substantial job losses are anticipated at all BSC works as demanning to improve productivity continues.

7 (h) 8. The economy of the region is being re-orientated to attract new manufacturing industry. The M4 motorway is being rapidly completed and this, together with the introduction of high-speed rail links with London, is increasing the accessibility of industrial South Wales. New industrial development is taking place particularly at those locations within easy reach of the motorway for example at Bridgend, recently selected as the site of the Ford Motor Company's new engine factory expected to employ some 2 400. At Swansea, Port Talbot, Barry, Cardiff and Newport the availability of port facilities provides an additional attraction to industrial development. Cwmbran New Town at the south-eastern margin of the coalfield continues to be an attraction to new industrial development. Government departments are being moved from south-east England to Newport, Cardiff and Swansea.

7 (h) 9. Every effort is also being made to restructure the life of the South Wales mining valleys, where 50 years ago $\frac{1}{4}$ million miners were employed in local collieries. Many of the valleys are included within the Special Development Area. Considerable expenditure is being incurred in improving links between the valleys and the M4 Motorway to the South and the Heads of the Valleys Road, from Swansea past Merthyr and Ebbw Vale to Abergavenny, to the north of the coalfield. Successive Governments have aimed at creating new jobs in the valleys by establishing advance factories on indus-

trial sites serving communities previously wholly dependent on the coal or steel industries, in the heart of the coalfield and along the heads of the valleys at Aberdare, Merthyr and particularly the Ebbw Vale area. Investment is being undertaken to supply incoming industries on these estates with adequate public services — water, sewerage, telecommunications, gas and electricity. Strong community life continues in these settlements despite the fact that a high proportion of houses are over 60 years old and many are lacking in amenities.

North-East Wales

7 (h) 10. This area (240 000 population) shares with industrial South Wales an inheritance of declining employment in its basic industries of coal and steel. In the past 15 years the number of coalmining jobs in the area has dropped from almost 7 000 to 2 000, mainly affecting the Wrexham area.

Despite attracting a considerable number of manufacturing firms, unemployment over recent years has increased substantially. To the north of the Wrexham area, Deeside is dependent on a narrow manufacturing base centred on the steel, textile and aircraft industries. While the British Steel Corporation's proposals to end steelmaking (but not steel-finishing) at the Shotton works with a loss of 6 000 jobs has now been rescinded, the outcome of any further review creates uncertainty about the future of the area. The closure of 2 textile fibre plants in 1976 and 1977 with the loss of over 2 000 jobs seriously aggravated the local problems. These factors led to an extension in 1977 of the Development Area to cover Deeside.

7 (h) 11. On the north coast, serious problems of seasonal unemployment result from reliance on tourism, and this part of the region retains Intermediate Area Status. Immigration of retired people to the seaside resorts along the North Wales coast and an increasing element of commuter develop-

ment in areas within travelling distance of Merseyside are being reflected in a considerable increase in the population of the area.

7 (h) 12. Development of the infrastructure necessary for modern industry and for the maintenance and development of tourism should create a firmer base for industrial employment. New industrial estates are being developed, for example near the Shotton Steel Works, and on-site and near-site facilities provided to attract new industry in the area. Major improvements to roads linking the area with North-West England and the Midlands are proposed.

North-West Wales

7 (h) 13. The rugged character of the landscape which makes this area so attractive to tourists also adds to the economic difficulties of North-West Wales (population 360 000). The less-favoured uplands provide a hard livelihood for the family farmers. High unemployment rates and low activity rates have persisted since the decline of slate quarrying earlier in the century and have resulted in designation of much of North-West Wales as a Special Development Area.

7 (h) 14. Individual industrial developments have been located in the area such as the brake linings factory at Caernarfon, nuclear electricity generation at Wylfa in Anglesey and Trawsfynydd in Meirionnydd. A large hydro-electric project is under construction at Dinorwic, financed in part by the EIB. On the east coast of Anglesey a major oil terminal is connected by pipeline to Merseyside refineries. Holyhead, with its aluminium complex, is a key ferry port on the route to Ireland and forms a link in the network of 'Euro-routes'.

7 (h) 15. North-West Wales, which contains the Snowdonia National Park is an area of outstanding natural beauty and attracts large numbers of tourists. Although every encouragement is given to the tourist industry,

it is inevitable that in an area which depends so heavily on its natural attractions a proportion of the employment provided by the industry is seasonal. The rates of unemployment remain amongst the highest in the United Kingdom. Improvement of communications (particularly the A55 from Bangor eastward and the second crossing of the Menai Strait) together with the development of small industrial estates in the larger settlements are essential to the future of this area, in which 72% are employed in service occupations.

Mid Wales

7 (h) 16. Depopulation has been the major problem of this agricultural area which includes the County of Powys, the districts of Ceredigion in the County of Dyfed and Meirionnydd in Gwynedd (population 200 000). Despite the fact that between 1956 and 1976 the number of agricultural holdings decreased by 6 500 and over 5 400 full and part-time employees left the industry, farming still employs a fifth of the workforce. Much of the area has been designated as a less-favoured hill-farming area. In the absence of any significant increase in employment from afforestation of large tracts of upland Wales, jobs will need to be provided in manufacturing industry to combat rural depopulation in this area. In this sparsely populated area, the policy has been to encourage development of industrial estates in selected small towns in Mid Wales, and particularly at Newton Powys, where the target is to double the town's population to 11 000. Better communications will improve access to markets and action is mainly focused on overcoming bottle-necks caused by small market towns. The area's high rainfall makes it a vital source of water for Wales and substantial parts of industrial England; development of water resources is continuing. Tourism is rapidly growing as the potential of this area is steadily recognized.

South-West Wales

7 (h) 17. The South-West peninsula contains some of the best farming land in Wales. It also contains Fishguard, the ferry port to Southern Ireland and the Milford Haven Waterway, the United Kingdom's biggest oil terminal, handling over 27% of the United Kingdom's oil imports and a major oil refining centre, the servicing of which makes special demands on the infrastructure of the area. The industry is highly capitalized and so the employment it provides has not provided an answer to the high unemployment rates of the area — over 15% at Milford and Pembroke Dock.

7 (h) 18. The offshore area is at present the focus for oil and gas exploration. Considerable initial investment in service base facilities and fabrication yard developments has already taken place but during the initial exploratory stages and possible subsequent exploitation new efforts will be required to improve the infrastructure serving the area.

Development objectives

7 (h) 19. The prime objective must be to increase job opportunities and career prospects and to prevent depopulation and decline. So that full advantage can be taken of the measures of regional assistance available, improvement of infrastructure is essential to make the area more attractive to new manufacturing industry. Planned improvement in communications within Wales will make possible the full exploitation of the country's proximity to the industrial centres of the Midlands, North-West England and the South-East. Industrial sites must be developed within easy reach of these improved communications — particularly the M4 motorway and the Heads of the Valleys Road in South Wales and the A55 in North Wales. In the longer term the aim must be to secure the future of the industrial areas of Wales by attracting investment in new technology industries. For the present however manu-

facturing jobs of all kinds are urgently required if unemployment is to be reduced to tolerable levels. Diversification of the industrial base is required; throughout Wales there is a need to attract light manufacturing industry. In many areas the economy needs leavening with service and office employment. Agriculture and tourism will have an important part to play in maintaining reasonable levels of income, particularly in rural areas.

7 (h) 20. In South Wales the development of manufacturing industry requires a range and standard of infrastructure facilities not previously demanded by the coal and steel industries, including suitable industrial sites and buildings, service facilities and good communications. The most acute problems arise from a serious shortage of sites suitable for new industry — especially in the valleys. A major programme is in progress to create suitable industrial sites in the valleys, (in many cases on land hitherto covered by spoil heaps left by collieries), and at various places along the line of the South Wales motorway (M4). These sites require water, sewerage and power supplies, access roads and improved links with the main communications between South Wales and the markets it serves. This involves not only local work but extensive improvement of the main networks.

7 (h) 21. North Wales urgently needs major infrastructure investment for the maintenance and expansion of existing industrial and tourism activities, and to attract new economic activity to an area of high unemployment. In Mid Wales investment will need to be concentrated in those areas selected for development. Prospects for South-West Wales will improve with the opening of further sections of the M4 to the east, from local improvements in communications and from investment in small industrial estates in areas of high unemployment.

Development measures

7 (h) 22. The following paragraphs describe the principal measures being taken towards

these objectives by local and public authorities and by 2 new agencies established by the Government.

7 (h) 23. *The Welsh Development Agency*, established on 1 January 1976, has the objectives of accelerating the economic and industrial development of Wales, maintaining and safeguarding employment, and improving the environment. The Agency is empowered to provide financial or other assistance to industry, to create new manufacturing companies, to develop and manage industrial estates and advance and purpose-built factories, and to undertake environmental improvement and the rehabilitation of derelict land. The Agency operates under the Welsh Development Agency Act 1975 and within administrative guidelines made by the Secretary of State. In particular it is required by the industrial investment guidelines to secure an appropriate rate of return on its investment activities. Recently substantial programmes of advance factory building and land reclamation have been announced while a number of investments by way of equity participation or medium-term loans have been approved. The budget for the Agency for 1977-78 is UKL 27.5 million.

7 (h) 24. *The Development Board for Rural Wales* established on 1 April 1977 is responsible for promoting the economic and social development of an area which initially covers the County of Powys and the districts of Ceredigion and Meirionnydd. The Board is developing Newton to a population of 11 000 and has taken over responsibility for the development of industrial estates including the advance factory building programme in its area. The Board's budget for 1977-78 is UKL 4.6 million.

7 (h) 25. ERDF assistance will continue to be sought for the development of industrial estates by the Welsh Development Agency, the Development Board for Rural Wales and by local and public authorities.

Roads

7 (h) 26. Road development in Wales has fallen behind that of other parts of Great Britain. In national terms the primary aim of the Government strategy is to achieve a major improvement in communications between Wales and its markets to the east, through England and to the Continent. The most important motorway and trunk road projects to be undertaken are :

M4 Motorway. At present there is a continuous length of motorway from London to Cardiff. Some lengths between Cardiff and the western end at Pont Abraham (north-west of Swansea) are also in use. The motorway will be largely completed by 1980. Substantial improvement of the A48/A40 west of Pont Abraham is also intended.

A55 Trunk Road. This links North Wales with the North-West of England and gives access to the M6/M1 route to the Midlands, South-East England and the Continent and to the M62 route to Hull and Northern Europe. The improvement of this road comes second in priority only to the M4, and more resources will be concentrated on this road as expenditure on the M4 reduces. From the Chester area improvements are planned to Wrexham to the south and the motorways to the north of Chester.

Mid Wales — Midlands. Although not on the same scale of industrial importance as the routes to the South and North the improvement of the links between Mid Wales and the West Midlands is important to the development of this area.

South Wales — Midlands. Communications have been improved by the construction of a dual carriageway from Newport to the M50 at Ross and of the Heads of the Valleys Road. Further improvements are planned to the route from Raglan to Swansea (A465) of which the Heads of the Valleys Road forms part.

7 (h) 27. Although the greatest emphasis is on east-west links the Government also

wishes to see improved road access between North and South Wales and various improvements have been and will be undertaken on the A470. It is also intended to make local improvements to trunk roads primarily to meet the requirements of increasing industrial traffic.

7 (h) 28. Improvement of road links to the motorway and trunk roads is vital to local communities. In industrial South Wales, road projects proposed at Tredegar (A4048), Pontlottyn (A469), Pontypridd (A4058), Aberkenfig (A4062), Caerphilly (A468), Pontardawe (A474) and others in the next 2 to 3 years will improve communications between the valley communities and the M4 and the Heads of the Valleys Road. Major works are planned on the A467 to provide an improved route between Ebbw Vale and the M4. At Cardiff, Swansea (A483) and Llanelli (A484) further road schemes to be undertaken will improve access to industrial areas. Two large projects are to be undertaken in Clwyd — bypasses at Bangor on Dee (A525) and Ffynnongroew (A548). The improvement of rural roads has a particular significance for the agricultural industry, especially in less-favoured agricultural areas.

Water and sewerage

7 (h) 29. Although water is plentiful in Wales, distribution systems, apart from those for the major population centres, have been designed to serve scattered communities. With the establishment of large water authorities the work of linking up and coordinating the existing services has been started but a great deal remains to be done. Similarly on the effluent disposal side a large programme of new works is programmed in areas where adequate capital investment is long overdue.

7 (h) 30. A continuing programme of investments will be undertaken to meet the demands of new industry. In the immediate

future in industrial South Wales the provision of a new trunk sewer is proposed to serve Pontypool, Gwent and a scheme to supply water to the new industrial area of Rassau, Ebbw Vale is to be undertaken. In North-East Wales, a new reservoir is to be built to serve industrial demands at Wrexham. In North-West Wales investment in abstraction and storage of water on Snowdonia is planned to meet increasing demands arising from development. Other projects are also under consideration. The local authorities are increasingly faced with the need to find suitable sites, etc. for the disposal of industrial waste from industrial development in their areas.

7 (h) 31. The greatest single capital investment in the foreseeable future will be the enlargement of the Craig Goch reservoir in Mid Wales. This will become one of the largest man-made lakes in Europe and will ensure future water supplies for substantial parts of England as well as for industrial South-East Wales. Work is now proceeding on detailed planning and it is expected that provisions for the recreational use of the water will be incorporated. The potential of reservoirs in Wales for leisure activities and as tourist attractions is increasingly being exploited.

The gas industry

7 (h) 32. On the changeover from manufactured to natural gas — completed in 1974 — sales in Wales, particularly to industrial users, markedly increased. Wales Gas embarked on a programme to reinforce its distribution network to cater for these developments. Distribution problems affect rural areas especially and several projects are under way including schemes to reinforce the transmission system in North-West Wales and Anglesey and Mid Wales. Gas supplies to Newport and Gwent are to be reinforced also.

Electricity

7 (h) 33. A large hydro-electric power station is under construction at Dinorwic in North-West Wales and should become operational in 1981. There is a continuing programme of investment to deal with the specific local distribution requirements of industrial estates and individual consumers.

Telecommunications

7 (h) 34. By the end of 1978, it is hoped to bring subscriber trunk dialling to all subscribers in Wales, while major investment programmes in telecommunications at Merthyr, Anglesey and in Snowdonia are planned for the next 3 years.

Tourism

7 (h) 35. For many local authorities especially in the North-West, Mid and South-West Wales, the extension and improvement of facilities for the tourist is as important as new industrial investment in contributing to the solution of local employment problems. The Wales Tourist Board is doing much to attract a wider range of visitors to Wales but more could be achieved if the range and quality of facilities for visitors were improved. A continuing programme of investment ranging from the provision of new and improved tourist accommodation to the building of more specific investments aimed at developing the tourist industry — such as the Rhyl Promenade Tourist Complex and the extension of the Ffestiniog Railway is essential to the development of tourism as a major contributor to the Welsh economy.

7 (i). NORTHERN IRELAND

Description

7 (i) 1. Northern Ireland covers an area of 1 412 000 hectares, has a population of 1½

million, a workforce of 0.59 million and accounts for 2% of the United Kingdom's gross domestic product. Unemployment in June 1977 was 0.06 million, 11.2% of employees.

7 (i) 2. The whole of Northern Ireland is a national priority area. In addition, large parts of the country have been designated as less-favoured agricultural areas.

Problems

7 (i) 3. Northern Ireland has persistent and severe economic problems, which are exacerbated by its lack of natural resources and its location on the extreme periphery of the Community.

7 (i) 4. Northern Ireland's economy exhibits all three types of problem specified in the 1975 Fund Regulation, i.e. a heavy dependence on agricultural employment, structural under-employment and a manufacturing industry handicapped by declining sectors. The agricultural industry still accounts directly for almost 10% of total employment, with processing and other ancillary activities contributing a further 3½%. In the main areas of decline in manufacturing industry — traditional textiles, clothing and shipbuilding — employment fell by 37% between 1965, compared with an average decline of 10% in manufacturing as a whole. This loss of traditional employment has involved an average loss of 2 600 jobs per year, an annual rate of decline equivalent to 1½% of total manufacturing employment.

7 (i) 5. Northern Ireland has for long suffered the highest level of unemployment in the United Kingdom, low incomes and a high level of net emigration. The post-war average rate of unemployment is 7%, which is over twice the level in the United Kingdom generally. Unemployment in June 1977 was over 20% in certain areas, e.g. Strabane (27%). Income levels, in terms of GDP *per capita*, are about 60% of the Community average and are the lowest of any region in the United Kingdom. Evidence suggests

that net emigration, which averaged 7 000 people a year during the 1961-71 period (40% of the natural increase), has accelerated greatly during the present decade. However, this recent experience may represent a cyclical peak, to be followed by a reduced outflow in future years. The rate of natural increase of the population, which had been among the highest in Europe during the 1960s, has begun to slow down. On balance, it is expected that numbers in the working-age groups will continue to increase over the next few years as a result of the high birth rates in the past.

7 (i) 6. The problems of regional development are compounded by a severe imbalance in the distribution of the population. While 40% live in the highly congested Greater Belfast Area, the scattered distribution of the remainder has made it more difficult to attract industrial development on a significant scale. It has also led to a wide variation in employment opportunities within Northern Ireland, with particularly severe unemployment in the rural areas of the South and West. The general shortage of jobs has not encouraged mobility and the civil unrest of recent years has been a further deterrent.

7 (i) 7. In recent years increasing attention has been focused on a wide range of social and economic needs in the inner-city areas, particularly in Belfast. There is a particular need to ensure the preservation of employment and to encourage the expansion there of existing firms.

7 (i) 8. In addition to the long-standing aspects of the regional problem, a further set of difficulties has more recently begun to affect the economy; there are three factors which have given particular cause for concern.

7 (i) 9. First, there has been a serious deterioration in Northern Ireland's ability to attract new industrial investment. The policy of industrial development has been the cornerstone of the effort to create new employment and, until recent years, it enjoyed con-

siderable success. Almost half of the region's manufacturing jobs are in projects assisted under this policy and many are in new sectors such as man-made fibres which have contributed much to the region's capacity for growth in the last 15 years. However, the combined effect of the present recession, the severity of international competition to attract mobile industry and the continued internal civil unrest have severely curtailed new investment and have caused concern about prospects for the future. In recent years, it has not been possible to sustain the flow of new industrial jobs which in the past enabled the region to contain, if not to overcome, its endemic problem of unemployment.

7 (i) 10. Second, an element of manufacturing costs in Northern Ireland (energy) has been rising in relation to competing areas and thereby not only eroding existing industry's ability to remain competitive in terms of cost but also confronting potential investors with a further disincentive to development. The sharp rise in oil prices since 1973 has had a most serious effect on electricity costs, as nearly 80% of electricity is produced from oil. A financial reconstruction of the Northern Ireland Electricity Service is under way with the aim of bringing industrial tariffs into line with those in the rest of the United Kingdom. As natural gas from the North Sea is not available, gas supplies have to be obtained from oil, with the result that the average price of gas is three times that prevailing in Great Britain.

7 (i) 11. Third, Northern Ireland is highly dependent on public expenditure to stimulate capital investment and to create and maintain employment. Over the past 20 years, the growth of employment in the service sector, particularly in the public services, has been of great importance in offsetting job losses arising elsewhere in the regional economy. The severe restraint on public expenditure in the United Kingdom may be expected to diminish further the region's prospects of reducing unemployment and increasing incomes.

Prospects

7 (i) 12. The combined impact of the factors discussed above suggests that the recent recession may have marked a distinct turning point for the Northern Ireland economy. During the next few years it seems probable that there will be little growth in the previously buoyant service sector, while the number of new jobs provided by manufacturing investment is likely to be insufficient to compensate for the continued loss of employment expected from further structural contraction.

7 (i) 13. Job losses in the declining sectors of manufacturing industry, i.e. shipbuilding, traditional textiles and clothing, seem likely to continue on a substantial scale. The shipbuilding industry, represented by a single nationalized company — Harland & Wolff Ltd — has recently completed a major modernization scheme to make it one of the best equipped yards in Europe for the construction of large vessels. Some 25 000 people were employed in the 1950s, but this has fallen to around 9 000. It is clear that if the current crisis in world shipbuilding continues and if the state of the company's future order book does not improve, the workforce could not be sustained at its present level. The long-standing problems of the traditional textile sector, combined with the acute world over-capacity in synthetic fibres which has emerged during the current recession, have increased concern about employment prospects in the textile sector as a whole. Moreover, the outlook for the clothing industry is overshadowed by competition from third-world producers. The textile and clothing industries together account for 36% of all manufacturing employment, which is three times the proportion elsewhere in the United Kingdom. The situation is worsened by the fact the areas most heavily dependent on employment in these industries are those with the highest rates of unemployment.

7 (i) 14. The creation of jobs for the improvement of land and land reclamation could

help alleviate some of the problems of the agricultural industry. At present efforts are being made to create jobs by the provision of facilities in forests, water recreation and angling. In this way employment in agriculture is being stabilized pending a solution to the general problem of unemployment. The fishing industry has an important role in the provision of jobs in areas where alternative forms of jobs are lacking.

Development objectives

7 (i) 15. The main economic development objectives are the creation of new employment opportunities and the improvement of conditions for economic growth. These goals require a sustained effort to strengthen the industrial structure, minimize the adverse economic effects of the region's peripheral location and to ensure that there is the closest correlation between the physical development of the region and its economic requirements. Within the context of encouraging new employment-creating investment, fresh emphasis must be given to enhancing the region's attractiveness as an industrial location, preserving jobs in existing enterprises (where consistent with long-term efficiency), rationalizing traditional industries and providing the necessary skilled manpower.

7 (i) 16. Northern Ireland's physical isolation from Great Britain and peripheral location in relation to the main European markets is a serious disincentive to investment and growth, which has assumed increased prominence as a result of Community membership. The quality of external transport services is therefore particularly important for industrial development and a key objective in this area is the improvement of terminal facilities in Northern Ireland for both sea-borne and air-borne traffic.

7 (i) 17. The constraints on industrial development imposed by the present uneven distribution of population are recognized in a regional physical development strategy which is now being applied. This strategy is

intended to govern patterns of investment, particularly in the provision of industrial sites and in facilities for energy, water and sewerage, and communications. A concept of 'growth zones' is used and differing scales of development are envisaged. In general the strategy is aimed at the further development of zones based upon district towns, although some centres — particularly Belfast, Londonderry, Craigavon and Antrim/Ballymena — because of their size and development potential will play a particularly important role. The strategy is closely tied to infrastructure investments which seek to create facilities essential for economic growth and to relieve the strains on existing services imposed by present levels of development.

7 (i) 18. Investments in infrastructure will not be restricted to facilities directly required for industrial development, but will also include measures to improve social and recreational facilities, as well as to tackle problems of urban decay and inadequate and sub-standard housing, which are widespread throughout the region, particularly in Belfast. Measures will be taken to follow up the recommendations of the Report on Cross-Border Communication in the North-West.

Development measures

7 (i) 19. *Industrial development.* There is a special range of financial and other incentives available from the Department of Commerce in Northern Ireland (described in Annex 2), which have recently been enhanced. Government expenditure on industrial development is likely to exceed UKL 300 million during 1978-80. Foreign firms which have announced that they will be increasing their investment in the region include Goodyear (a UKL 1 ½ million rationalization programme at their Craigavon factory), Gallaher Ltd (a UKL 8 million modernization programme at their Belfast and Ballymena tobacco factories) and Du Pont (a UKL 29 million re-equipment scheme for their neoprene unit at Maydown, near Londonderry). Several British and locally-owned firms are to go

ahead with major expansions or modernization schemes, two of the largest being Desmond and Sons Ltd (a sportswear operation at Omagh) and Ballycassidy Sawmills (modernization of its wood treatment facilities at Enniskillen).

7 (i) 20. *Northern Ireland Development Agency.* The Agency was established in May 1976 to complement the work of the Department of Commerce in strengthening the region's industrial structure. It has an annual budget for capital expenditure of UKL 5 million. Its primary responsibilities are the strengthening and development of local industry, the identification of new products and the establishment of State industries, particularly in areas of highest unemployment. The Agency is developing a marketing service for the benefit of local industry and is engaged in trying to promote joint ventures between local and external companies. Its role is of particular relevance for the provision of jobs in those parts of the region to which it has not been possible to attract private investment.

7 (i) 21. *Local Enterprise Development Unit.* The Unit provides financial assistance to firms employing fewer than 50 people. Its annual budget for grants and loans is UKL 3 million. It has the particular task of encouraging manufacturing industry in those parts of the region not suited to large-scale industrial development. The Unit has the prime responsibility for fostering craftwork in the region by encouraging more people to participate and by taking measures to improve design standards and marketing methods.

7 (i) 22. *Industrial sites and factories.* The advance provision, preparation and servicing of industrial sites is an important part of regional policy and is coupled with the continuous programme for the construction of advance factories in selected areas. All district towns are to be provided with industrial sites for future industrial development. In tackling the problem of urban decay in Belfast, two pilot projects involving the cons-

truction of small factories in the central urban area under way and these should be ready for occupation by the end of 1978. Expenditure of UKL 21 million is envisaged over the next 3 years.

7 (i) 23. *Commercial ports.* The region's need to import practically all of its raw materials and export the majority of its products has encouraged the main commercial harbour authorities to modernize their facilities. Projected improvements at Belfast harbour over the next few years include provision of new roads to ease traffic congestion and the continuation of schemes to improve quays and make available additional space for port development to meet the anticipated growth in trade through the port. The port authority for Larne Harbour, which specializes in handling roll-on/roll-off vehicular and container traffic, will continue its extensive scheme to modernize the port's existing facilities and provide additional ones. The other commercial ports of Londonderry, Warrenpoint and Coleraine will also be undertaking schemes to improve existing facilities.

7 (i) 24. *Fisheries harbours.* Development works are planned for the three fishery harbours at Kilkeel, Ardglass and Portavogie. In the case of Portavogie, the harbour is no longer able to handle present day traffic and a major UKL 4 million project will be necessary over the next five years to improve facilities. The development of fish landing and on-shore processing facilities is essential to the fishing industry and to the maintenance of employment in related activities, especially as the harbours are located in areas of high unemployment with little prospect of alternative jobs.

7 (i) 25. *Airport.* Aldergrove is the only airport operating scheduled services. Northern Ireland's physical remoteness means that it is particularly dependent on air services for passenger transport to Great Britain and overseas. The existing airport facilities were designed to accommodate 0.9 million passengers a year but are now having to

handle approximately 1.1 million passengers a year. Proposals for the development of terminal facilities at an estimated cost of UKL 15 million over the next five years have been agreed.

7 (i) 26. *Roads.* Priority is being given to road works which serve industrial developments, form part of the physical development strategy for Belfast and the district towns and provide strategic links between the district towns and the major sea ports and the airport. Projects planned up to 1980 include, at an estimated cost of UKL 16.5 million, five schemes to improve sections of the T4 route which is the main road between Northern Ireland and the Republic of Ireland, through-pass schemes for Strabane and Omagh to improve movement of traffic from the west of the region to Londonderry, schemes for Enniskillen and Newcastle to aid the growth of the tourist industry, a by-pass scheme for Antrim to facilitate the movement of traffic to Belfast Airport and schemes in the Lisburn and Carrickfergus areas to improve the movement of industrial traffic. Total expenditure over the next 3 years is estimated at UKL 80 million.

7 (i) 27. *Water supply and sewerage.* Some of the major schemes which will be undertaken in the period to 1980 are a new major water supply source for Belfast, the Sydenham pumping station and Welland Street culvert, Castor Bay to Ballydugan trunk main which will bring additional water supplies to Craigavon and the Portadown sewerage scheme. Total expenditure in this period will be of the order of UKL 64 million.

7 (i) 28. *Drainage.* Planning for arterial drainage and related activity, such as the maintenance of sea defences and the improvement and maintenance of a number of inland waterways, is carried out on a regional basis. An important aspect of this programme which will cost UKL 20 million over the next 3 years is the improvement of water courses to provide protection from flooding to industrial and commercial premises, infrastructure and dwellings.

7 (i) 29. *Electricity.* The provision of electricity generating plant to meet growing demand has required a major programme of investment. A new power station is under construction at Kilroot and some UKL 80 million will be spent over the next 5 years in completing it. Further investment is also required to reinforce the transmission system and in each of the next 3 years it is proposed to spend UKL 9 million on the extension and development of the distribution system, including rural electrification supplies to new industries and housing estates. The Kilroot investment programme of the Northern Ireland Electricity Service is the subject of a current application for a loan to the European Investment Bank.

7 (i) 30. *Gas.* Northern Ireland is the only part of the United Kingdom where natural gas from the North Sea is not being distributed. Arising from a study of the region's gas industry by the British Gas Corporation, the cost of which was assisted out of Community funds, 8 options have been identified on which a decision on the future of the gas industry can be based. The report is under consideration, but the gas industry itself supports the idea of a pipeline to bring natural gas from Scotland.

7 (i) 31. *Telecommunications.* The Post Office is planning a UKL 45 million investment over the next 3 years in telephone exchange building, equipment and external cabling which will cater for the continuing growth in Northern Ireland's telephone system. Major projects are planned for Londonderry, Dungannon, Antrim, Bangor and East Belfast. In addition nearly UKL 4 million will be spent up to 1980 in extending the region's international direct dialling facilities. The Post Office has been awarded a loan of UKL 18.5 million from the European Investment Bank towards its capital investment programme in Northern Ireland.

7 (i) 32. *Tourism.* Tourism represents an important alternative economic activity in large areas of Northern Ireland where job

opportunities in manufacturing are limited. The development of tourist facilities will provide a useful number of job opportunities particularly in the west. Government assistance to tourism is forecast at UKL 9 million over the next 3 years. Plans are in hand for a UKL 600 000 residential complex, mainly for anglers, on the shores of Upper Lough Erne in the Fermanagh Lakelands. There is also an urgent need to provide improved facilities in the traditional seaside resorts and amenity harbours. Major schemes are planned for Newcastle (a wet weather tourist complex) and Carnlough (harbour amenities), while a scheme is under consideration for Bangor (a marina).

7 (i) 33. *Forestry.* Areas of forest arising from a increased post-war planting programme are now approaching harvesting stage and consideration is being given to the expansion of wood-processing industries.

7 (i) 34. *Inner-city areas.* A programme of redevelopment is planned, mainly for Belfast and Londonderry. Plans include the acquisition of land for industrial estates, a scheme to encourage the refurbishing of buildings and help for businesses displaced by redevelopment.

7 (i) 35. *Recreation.* There is an expansive programme for the provision of recreational and sporting facilities throughout the region. Many of the facilities are being located in areas of high unemployment and in centres where tourism is potentially important. The provision of these amenities will improve the quality of infrastructure and thereby enhance the prospects for creating new jobs. Two leisure centres and several complementary recreational centres are to be provided to complete the recreational programme in Belfast. Other large recreational centres will be provided at Londonderry, Omagh, Newcastle, Lisburn, Bangor, Larne, Ballymoney, Ballycastle, Ballymena, Newtownards and Coleraine. The finance requested for the completion of this programme over the next 3 years is UKL 23 million.

The Assisted Areas

GREAT BRITAIN

A1.1. In Great Britain, there are three classes of areas, known collectively as the 'Assisted Areas':

- (a) Special Development Areas,
- (b) Development Areas,
- (c) Intermediate Areas.

These areas are designated by reference 'to all circumstances actual and expected including the state of employment and unemployment, population changes, migration and the objectives of regional policies'.

A1.2. A single region may comprise different kinds of Assisted Area and not all of a region need necessarily have Assisted Area status. For example Scotland includes Development and Special Development Areas and an Intermediate Area, while the South-West Region includes Development Areas, Intermediate Areas and an area (comprising the greater part of the region) which does not have Assisted Area status of any kind. A map is attached indicating the boundaries of the Assisted Areas and of the standard regions.

A1.3. The *Special Development Areas* are areas in which the effects of high and persistent unemployment, coupled with a decline of traditional industries, industrial obsolescence, dereliction and poor amenities, are most serious. The areas include about 13% of the total number of employees.

A1.4. The *Development Areas* were designated because of their high unemployment rate in rela-

tion to the national average, the prevalence of declining industries, migration patterns and generally low prosperity level. They include 11% of the total number of employees in Great Britain.

A1.5. The *Intermediate Areas* are areas where special measures are considered necessary to encourage growth and the proper distribution of industry, but where the economic and other problems are not as acute as those of the Development Areas. Industrial structure, industrial obsolescence and dereliction, slow growth, unemployment and the 'shadow effect' of the adjacent Development Areas are all relevant factors. The IAs now include about 20% of all GB employees.

NORTHERN IRELAND

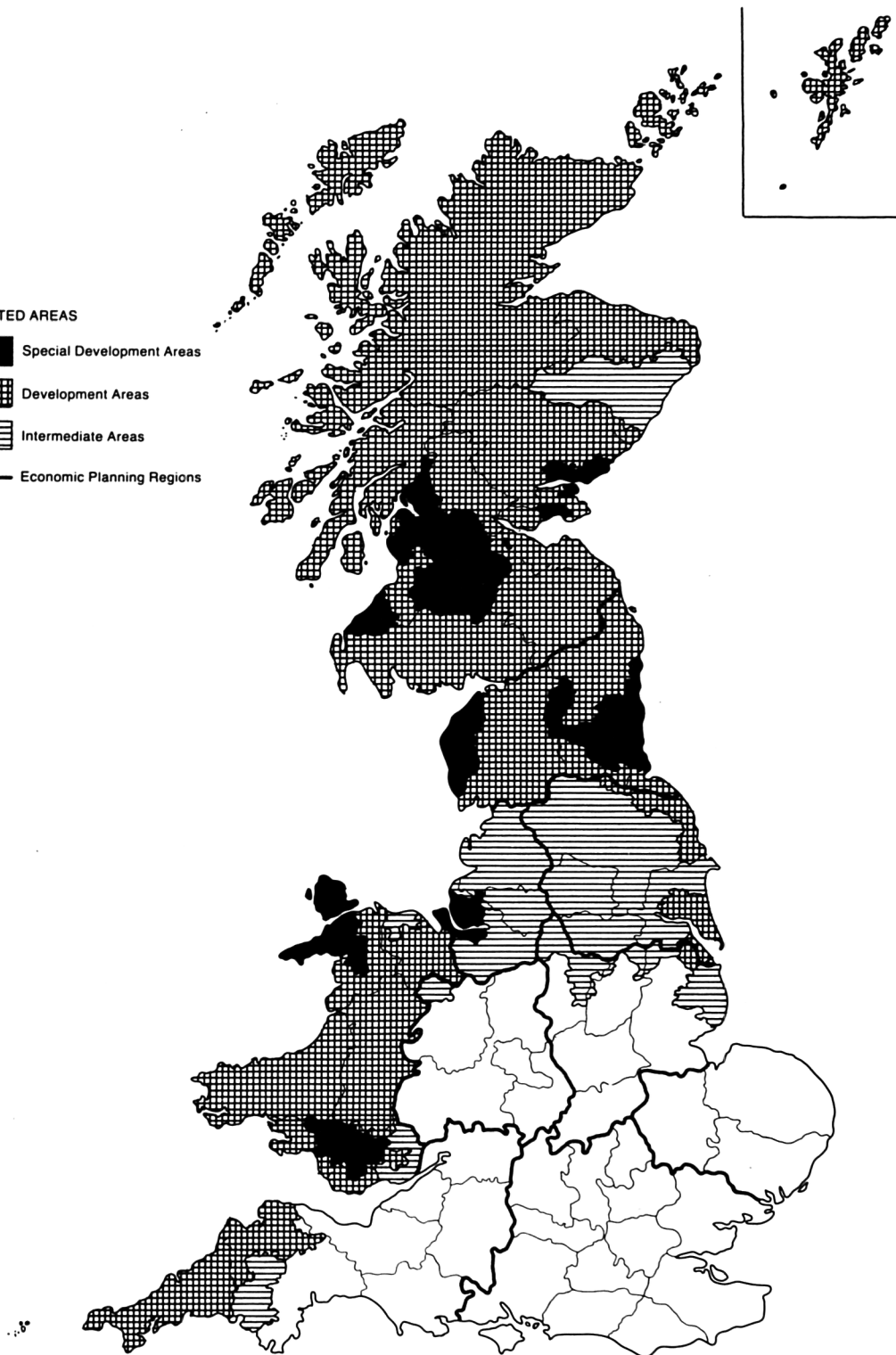
A1.6. *Northern Ireland* is the subject of separate legislation. Because of high unemployment, declining industry, migration and other factors, Northern Ireland requires special measures to attract investment.

GENERAL

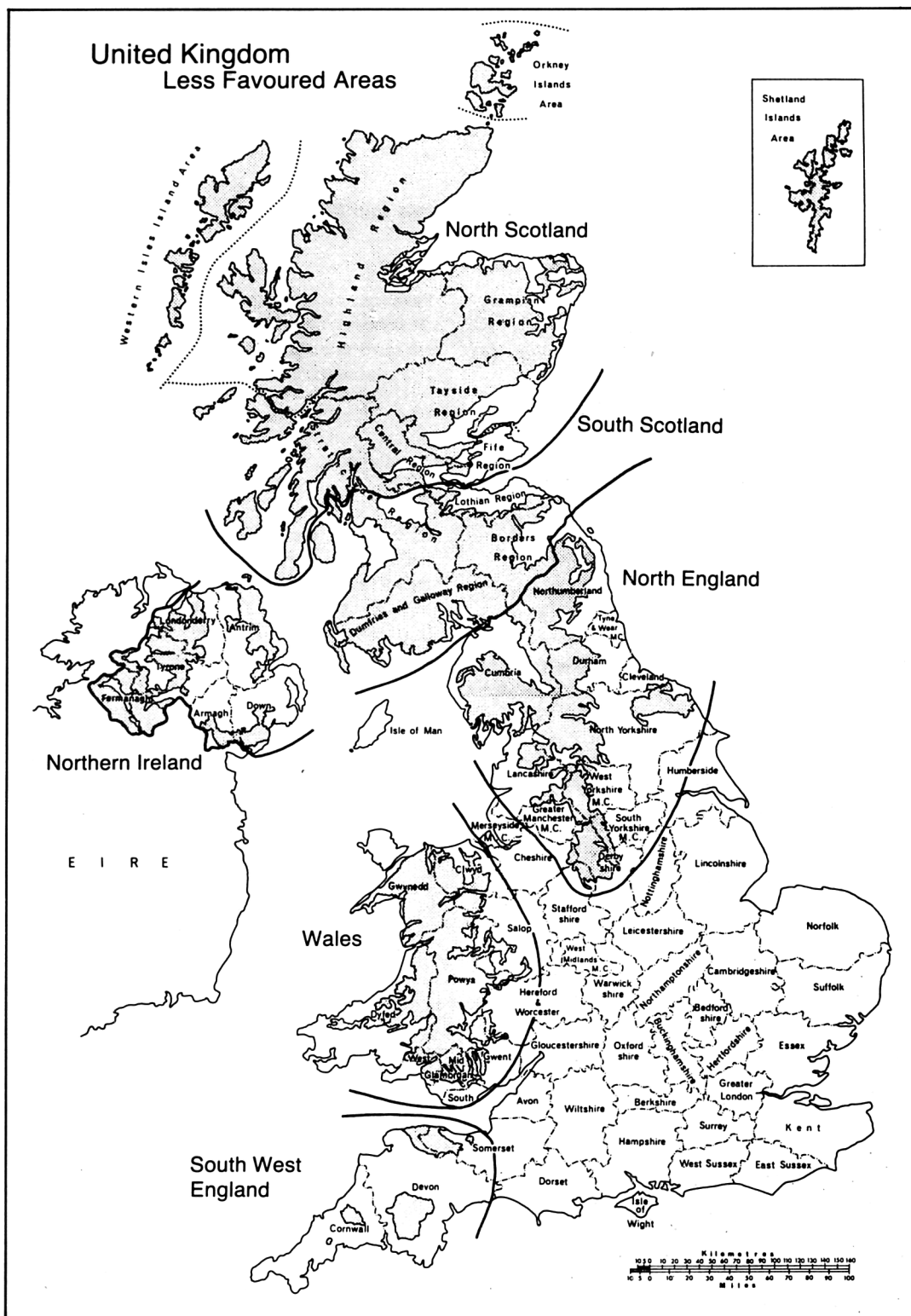
A1.7. Parts of the United Kingdom are also designated as 'less-favoured agricultural areas' under Article 3(2) of the Council Directive 268/75/EEC. These areas (not all of which lie within the Assisted Areas) are shown on the second map. This map also shows the principal areas into which the United Kingdom is divided for the purposes of local government.

ASSISTED AREAS

-  Special Development Areas
-  Development Areas
-  Intermediate Areas
-  Economic Planning Regions



United Kingdom Less Favoured Areas



Assistance for industry and tourism

A2.1. This Annex describes the assistance available in the Assisted Areas. In some respects the position in Northern Ireland is different from that in Great Britain, and is described separately.

GREAT BRITAIN

A2.2. In Great Britain the main initiative for industrial development rests with industrialists, who take decisions to invest on the basis of their assessment of commercial factors. The Government makes additional resources available to investors as an incentive in certain regions where there are special economic and social problems. The financial incentives available under the Industry Act 1972 and the Local Employment Act 1972 vary according to the category of Assisted Area concerned.

Regional Development Grants

A2.3. The Secretary of State has the power

under the Industry Act 1972, to pay Regional Development Grants for:

- (a) capital expenditure on providing new buildings or works (excluding mining works) or adaptations of existing buildings on premises wholly or mainly engaged in qualifying activities in any Assisted Area;
- (b) capital expenditure on certain new machinery or plant on similar qualifying premises used in the Special Development and Development Areas.

A2.4. The principal qualifying activities are in manufacturing industry, with certain repair activities, the processing of scrap and waste material and scientific research relating to, and the training of staff for work in, any other qualifying activities. Although grants are subject to conditions, the effective position is that there is a virtual automatic entitlement to grant where these are satisfied.

A2.5. The granting of the Regional Development Grant is not subject to the provision of additional employment. The grants are not treated as reducing capital expenditure that qualifies for tax allowances. The rates of grant are as follows:

Category of Assisted Area	Rate of grant on approved capital expenditure	
	Building and works (excluding mining works) ¹	Machinery and plant
Special Development Areas	22%	22%
Development Areas	20%	20%
Intermediate Areas	20%	—

¹ From 1 April 1977 the mining and construction industries ceased to be eligible for grant. However, grants continue to be available on expenditure incurred on assets provided before 1 April 1977 and also on expenditure defrayed before 6 August 1976, even though the assets may not be provided until after 31 March 1977.

Selective financial assistance

A2.6. Under the Industry Act 1972 financial assistance may be provided by the Government where it is likely to provide, maintain or safeguard employment in the Assisted Areas and where the undertaking is wholly or mainly in the Assisted Areas. These powers are exercised by the Secretaries of State for Industry, Scotland and Wales in England, Scotland and Wales respectively.

A2.7. Projects qualifying for assistance normally fall into two broad categories:

- (i) Category A: new projects and expansions which create additional employment;
- (ii) Category B: projects which will not provide extra jobs but will maintain or safeguard employment.

Assistance may be given towards any of the normal capital needs, including working capital, of an undertaking and may be provided in any form.

A2.8. The normal forms of assistance are:

- (i) Category A projects:
 - medium-term loans at concessionary rates of interest with the possibility of up to 3 years interest free;
 - an interest relief grant, towards the cost of finance obtained from other sources, at a rate of 3% for 4 years of the loan that would otherwise have been given. Where an interest-free period would have been appropriate on a Government loan, a grant at a higher rate, equivalent to a broadly commercial rate of interest, may be given for up to 3 years and 3% a year for a further 4 years;
 - removal grants of up to 80% of certain costs incurred in moving an undertaking into one of the British Assisted Areas from anywhere in Great Britain outside those areas;
 - grants for service industry undertakings moving similarly into the British Assisted Areas, comprising a grant of UKL 1 500 per employee moving with his work (within a limit of 50% of the new jobs created);
 - a grant of UKL 1 500 in the Special Development Areas and UKL 1 000 in the Development Areas for each job created in these areas; and a grant to cover the cost of rent of premises in the new location for up to 7 years in Special Development Areas, 5 years in Development

Areas and up to 3 years in Intermediate Areas. (Moves which qualify for these grants may also receive other forms of Category A assistance.)

(ii) Category B projects:

- where finance could not reasonably be obtained from commercial sources, loans at a commercial rate of interest may be given. However, concessionary assistance is given for modernization projects which are of strategic value to the company concerned and where there is a serious danger that if the project were not undertaken there would be substantial redundancies in the medium term.

A2.9. Projects in the service industries (e.g. offices, warehousing and distribution, research and development units) will qualify for assistance only if they provide 10 or more new jobs as a result of a move to the Assisted Areas, or 25 or more new jobs as a result of the establishment of a new project, or the expansion of existing projects in the Assisted Areas and have a genuine choice of location between the Assisted Areas and the rest of Great Britain.

A2.10. There are also administrative limits on the total assistance that may be given to individual projects. These limits restrict the amount of assistance per job and the share of assistance provided from public funds and they distinguish between the 3 categories of Assisted Areas. Each application is subject to an assessment of the economic soundness of the project.

Exchange Risk Guarantee Scheme for loans from the European Investment Bank

A2.11. Under a scheme introduced on 1 January 1978 private sector borrowers from the EIB for investment in employment-creating projects in the SDAs, DAs and Northern Ireland may be given a guarantee by the Government against the risk of exchange losses. EIB loans are made in a mixture of currencies and this scheme provided cover against losses. ECSC loans under Article 54 and 56 of the Treaty of Paris may also be considered for cover under the Exchange Risk Guarantee Scheme.

Factories

A2.12. There are powers for the Government or its agencies (see Annex 3) to purchase land and to

build, for sale or lease, industrial premises. There are broadly 2 types of factory: those constructed in advance of demand to a basic standard and those constructed according to the customer's specifications. Factories may be let rent-free for an initial period in some instances.

Basic service grants

A2.13. Where it appears to the Government that adequate provision has not been made for the needs of any Development Area or Intermediate Area in respect of a basic service such as transport facilities, power, lighting, heating, water and sewerage disposal and that it will contribute to the development of industry in that area if the service is improved, grants or loans may be made towards the cost of improvement. These grants are generally paid to the infrastructure authority concerned.

Other assistance

A2.14. Special assistance to industrial and commercial projects is available from the Scottish and Welsh Development Agencies and, in the Scottish highlands and islands, from the Highlands and Islands Development Board.

A2.15. The Development Commission is responsible for promoting the development of rural areas in England. In Wales this role is performed by the Welsh Development Agency and the Development Board for Rural Wales and in Scotland by the Scottish Development Agency. Assistance is mainly in the form of:

- (a) the provision of purpose-built factories in rural areas suffering from or threatened by rural depopulation; the provision of advance factories in areas of rural Wales suffering from or threatened by rural depopulation is undertaken by the Development Board for Rural Wales within its area (the County of Powys and the districts of Meirionnydd in Gwynedd and Ceredigion in Dyfed) and elsewhere by the Welsh Development Agency;
- (b) the provision of credit, advisory and training facilities to small firms in rural areas generally — with priority for the areas of rural depopulation. In England the Council for Small Industries in Rural Areas acts for the Commission, whilst in Wales the Welsh Develop-

ment Agency and the Development Board for Rural Wales act within their respective areas, the Board providing direct assistance to industry as agent for the Welsh Development Agency.

Training

A2.16. Certain training services are provided free to all firms in the Assisted Areas.

Key Workers Scheme

A2.17. Assistance is available to all firms wishing to transfer a limited number of key workers permanently or temporarily to a new plant in an Assisted Area. This includes fares for the worker and his dependants, settling-in grants, lodging allowances, 'continuing liability allowances' and removal and rehousing grants. This scheme is not open to employees entitled to benefit from the assistance to service industry projects (paragraph 2.8 above).

Nucleus Labour Force Scheme

A2.18. If a firm sets up a new project in an Assisted Area and recruits unemployed workers living in that area, assistance is available, on the same lines as for the Key Workers Scheme, to transfer them temporarily to the parent factory for training.

Tourism

A2.19. Under the Development of Tourism Act 1969 the English, Wales and Scottish Tourist Boards may give financial assistance for the carrying out of projects in Development or Special Development Areas which will, in their opinion, provide or improve tourist amenities and facilities in their respective countries. The assistance may be in the form of grants or loans, but the Boards may not, without the prior approval of the Government, grant assistance which:

- (a) for local authority projects exceeds UKL 25 000 or 50% of the project cost, whichever is the less; or

- (b) for other projects exceeds UKL 50 000 or would bring the total assistance from public funds to more than 50% of the project cost; or
- (c) would involve acquisition of shares or stock.

A2.20 The kinds of project which may be aided under this scheme include accommodation, catering facilities, indoor and outdoor tourist attractions, conference centres, car parks and information centres.

A2.21. Similar assistance is also made available in its area by the Highlands and Islands Development Board.

A2.22. In addition, the Government announced in May 1977 pilot proposals to establish new tourism growth points within the Development Areas in the High Pennines (from Teesdale to the South Tyne Valley), Scarborough and district, and part of North Devon and Cornwall. Similar initiatives are planned for Scotland and Wales. These proposals envisage a package of interrelated and mutually supportive tourism investments in the localities concerned. With suitable marketing they should be able to attract the attention of tourists more effectively than random development.

NORTHERN IRELAND

A2.23. As in Great Britain, the main initiative for industrial development rests with industrialists. Because of the economic and social problems encountered in Northern Ireland (see Section 7), the Government makes additional resources available to investors as an incentive at a higher level than in the Assisted Areas of Great Britain. Assistance is normally obtained from the Department of Commerce, but special assistance to industrial and commercial projects is also available from the Northern Ireland Development Agency and the Local Enterprise Development Unit.

Standard capital grants and loans

A2.24. Grants are available at 30% towards capital expenditure in new buildings, machinery and plant for manufacturing industry on terms similar to the Regional Development Grants (see paragraphs A2.3 to A2.5).

A2.25. Loans, or interest relief grants towards the cost of borrowing, may be made for major rehousing or re-equipping schemes.

Selective financial assistance

A2.26. Special assistance may be made available under the Industrial Development Acts (Northern Ireland) 1966 and 1971 as amended by the Industries Development (NI) Order 1976 for creating employment in new industrial projects or in expanding or maintaining employment in firms whose continued existence is important to the economic development of the locality in which they are situated. Assistance is only made available where the project is assessed as economically sound, is tailored to the needs of individual firms and is subject to cost-per-job rules and to a limit on the Government contribution. It may include:

- industrial development grants from 40% to 50% of the cost of new building, machinery and plant (as an alternative to the standard grants mentioned in paragraph A2.23);
- grants towards setting-up costs;
- grants of up to 100% of the cost of transferring plant from the parent firms and installing it in Northern Ireland;
- grants of up to 50% of the cost of research in developing new products and processes which will strengthen the commercial and technological base of a company;
- loans at concessionary rates of interest or an interest relief grant (similar to those described in paragraph A2.8).

A2.27. These forms of assistance are available to manufacturing industry and also for service industry projects having a genuine choice of location within the United Kingdom which hold prospects of net additional employment in Northern Ireland.

Factories

A2.28. As in Great Britain (see paragraph A2.11) these are provided to a basic standard or to the customer's specification and may be let rent-free for an initial period in some instances.

Selective employment payments

A2.29. An employer with a manufacturing establishment in Northern Ireland can qualify for these payments for his employees at that establishment. From 3 January 1977 the rate was UKL 2 per week for full-time employees over 18, and UKL 1.20 for younger full-time employees. Reduced rates

apply to part-time employees. (The corresponding scheme in Great Britain, the Regional employment premium, was terminated early in 1977.)

Training

A2.30. The measures available are tailored to a firm's circumstances. They include direct services (free of charge) and financial assistance for training personnel at various levels. Where an employer provides training for hitherto unemployed workers to fill new jobs, grants are available for an agreed period of basic training at rates of UKL 15 per week for employees over 18 and UKL 8 per week for younger employees.

Key Workers Scheme

A2.31. The scheme described in paragraph A2.16 operates in Northern Ireland on a less restricted basis.

Tourism

A2.32. Financial assistance for tourism projects is provided by the Northern Ireland Tourist Board

and the Northern Ireland Department of Commerce. The main assistance is provided by the Department of Commerce through:

- (a) an Accommodation Grants Scheme aimed at encouraging the construction of new and improved tourist accommodation. Under the Scheme, grants of up to 50% of eligible development costs may be made available. Loans may also be provided, subject to an overall limit of Government assistance of 66% of the total capital cost;
- (b) a Tourist Amenity Scheme to provide or improve amenities (e.g. picnic sites, transit caravan sites, tourist information offices, car parks, safe boat harbours, slipways, and associated toilet and catering facilities). Projects may be carried out by the Department or district councils. In the latter case, grants of 75% of the cost of land acquisition and 50% of the cost of construction may be made available by the Department.

The Tourist Board makes grants to private operators, e.g. for angling, cruising and farmhouse accommodation projects.

Infrastructure authorities and programmes

A3.1. The paragraphs which follow deal with the different types of infrastructure and indicate for each:

- (a) the importance of that type of infrastructure to regional development, and any special features of its future development;
- (b) the body or type of body responsible;
- (c) the financial arrangements.

A3.2. The types of infrastructure described may be divided into three groups:

- (a) Communications — Ports *
 Roads
 Railways *
 Airports *
 Inland waterways *
 Telecommunications *
- (b) Services — Electricity *
 Gas *
 Water and sewerage *
- (c) Other — Industrial sites and
 factories
 Land clearance
 New towns *

The majority of the organizations responsible for investment in the types of infrastructure marked * are statutory corporations carrying out trading operations. To the extent that their earnings are not sufficient to finance their investment programmes in full, the balance is met largely by borrowing from the Government.

(a) Communications

Ports

A3.3. Because the United Kingdom is a group of islands and a fishing and trading nation, ports are a very important part of its infrastructure. In the major Assisted Areas of Great Britain there are

several important ports whose significance extends well beyond their particular region and a number of smaller ones which serve their own areas. Most of these are well established, but changes in the pattern of trade and industry, in conjunction with technological changes in methods of cargo handling at ports, have led to very considerable changes in the ports themselves and a consequent need for heavy capital investment. For example, the larger ships of today require deeper water, which means deepening channels or in some cases relocating port facilities. The bulk handling of oil, iron-ore, grain, etc requires new types of specialized berths and facilities. Modern methods of handling cargo require the provision of container terminals, roll-on/roll-off facilities, etc. Modern cranes and handling equipment are also needed. There has been a substantial programme of capital investment in these facilities over the past 10 to 15 years, but there is still a good deal to be done to modernize the industry.

A3.4. Over three-quarters of total capital investment in ports is in the Assisted Areas. This investment is of direct benefit to the Assisted Areas because it creates employment not only in the ports themselves but also in ancillary port activities and in port-related and local industries.

A3.5. All schemes in Great Britain costing more than UKL 1 million have to be authorized by the Secretary of State for Transport under the Harbours Act 1964; this enables the Secretary of State to ensure that they are fully justified in terms of user demand and that they will show a satisfactory rate of return. The Fisheries Act 1955 allows financial assistance to be given to fishery harbours in Great Britain.

A3.6. The port authorities in the United Kingdom include the British Transport Docks Board (which is a public corporation), local authorities, statutory harbour authorities, and privately-owned companies; the majority are statutory

authorities subject to special Acts of Parliament. The National Ports Council, a statutory body set up under the Harbours Act 1964, advises the Government on all port matters, including infrastructure developments.

A3.7. Government loans of up to 100% of project costs are available in approved cases to statutory harbour authorities. The British Transport Docks Board's borrowing requirements, like those of the other public corporations, are met almost entirely by the Government.

A3.8. The standard of port facilities in Northern Ireland is of especial significance because of the high proportion of sea-borne trade. Powers to develop the commercial and fisheries ports in Northern Ireland are contained in the Harbours Act (NI) 1970, which provides for financial assistance from the Government to encourage harbour authorities to undertake capital improvement works.

Roads

A3.9. Roads in Great Britain are classified as trunk roads (of which there is a national network of about 9 500 miles) and local authority roads (which total about 200 000 miles).

A3.10. The Government is following a selective approach to road building designed to meet the most pressing economic and environmental needs of the country. Two of its priorities are improving those routes to the major ports and other industrial areas which carry a high proportion of industrial traffic and meeting regional needs. The 1 200 miles of motorway already built were aimed particularly at linking the regions and as a result all Assisted Areas have been or are being linked to the motorway network.

A3.11. Road building in Great Britain is the responsibility of the Department of Transport, the Scottish Development Department and the Welsh Office, according to the location. Local authority road building is the responsibility of the county or regional councils. While most of the road building is undertaken by these councils there is some delegation to district councils. Road construction by county councils is decided within the framework of formal policies and programmes drawn up by them to cover their long-term transport strategy, with a 5-year programme to implement that strategy and detailed estimates of expenditure.

Particular importance is given to proposals for the construction and improvement of local roads which provide links with the national trunk-road network.

A3.12. Finance is provided for expenditure on motorways and trunk roads and associated services from Central Government funds. Local authority expenditure on transport, including the construction of local roads and provision of associated services, is assisted financially from Central Government sources through the Rate Support Grant and augmented by the Transport Supplementary Grant.

A3.13. *Local authority roads* range from moderately important through-routes to local links of many kinds. For the purposes of regional development the most important categories are the roads which provide or improve access to industrial estates or industrial areas, the roads within such estates or areas and the roads providing access to isolated parts of the regions.

A3.14. Roads in Development Areas have also benefited in the past from special regional initiatives; for instance, the North-East Special Programmes, launched in 1963, provided a comprehensive scheme for that area including both trunk and local authority roads, a few of which are still under construction.

A3.15. In Northern Ireland responsibility for all public roads lies with the Department of the Environment (NI).

Railways

A3.16. Responsibility for most railway services in Great Britain rests with the British Railways Board, a statutory corporation whose borrowing requirements are met in large part by the Government. In addition, the metropolitan counties have powers to integrate the provision of railway infrastructure with the other infrastructure requirements. Railway transport has an important role to play in meeting the transport needs of the Assisted Areas. In Great Britain, rail freight plays a very significant role in the transport of goods for industries such as coal, iron, and steel, which are heavily represented in the Development Areas.

A3.17. The planning of railway investment is directed at the development of routes rather than of areas. This means that the emphasis is more on

linking the Assisted Areas with the rest of the country than on developments within the Assisted Areas.

A3.18. Railway investment is directed to the maintenance and improvement of the facilities needed for these railways. In recent years the west coast main line linking London, the West Midlands, Lancashire and Central Scotland has been electrified and the services improved. The High Speed Train (HST) was introduced in 1976 between London, Bristol and South Wales. Improvements to the east coast main line, linking London, Yorkshire, the industrial North-East and Scotland are being carried out in order to bring into service HSTs in 1978 on that line. The introduction of the HST has improved prospects for the Assisted Areas by reducing significantly the travelling time for businessmen visiting those areas.

A3.19. The Government is empowered to make grants towards the provision of facilities for freight haulage by rail under Section 8 of the Railways Act 1974, and a number of grant-aided schemes are located in the Assisted Areas. The Government has approved rolling programmes of investment for the rail freight business of up to 5 years. A new freight service ('Speedlink') is intended to encourage the transfer of industrial loads from road to rail; this service will be expanded to all major industrial areas in the United Kingdom. Freight work is taking place in connection with the development of the new Selby coalfield and the Scottish oil industry. There are also smaller local schemes to link industry to the rail network by private sidings.

A3.20. In Northern Ireland responsibility for railway services rests with the Northern Ireland Railways Company Limited. The services are mainly for passengers, with comparatively little freight traffic.

A3.21. The British Railways Board provides services on certain short sea routes. These include the ferry service from Stranraer to Larne (Northern Ireland's main link for road-borne freight) and a freight service from Heysham to Belfast. There are also services from Welsh ports to the Republic of Ireland.

Airports

A3.22. The British Airports Authority owns and manages the major London and Scottish airports

and the Civil Aviation Authority operates eight small airports in the highlands and islands of Scotland. Both these Authorities are statutory bodies, whose borrowing requirements are met in large part by the Government. With the exception of Belfast and Southampton, all the other principal United Kingdom airports are owned by local authorities. Belfast airport is operated by a publicly-owned company and Southampton airport, like a large number of minor airfields, is privately owned. Major improvements are to be made to the terminal facilities at Belfast airport.

A3.23. While the main weight of investment in airports is expected to continue to be in South-East England, consideration will be given to regional requirements including those of the Assisted Areas.

Inland waterways

A3.24. There are some 2 000 miles of canals and navigable rivers in Great Britain, mostly in England. About 340 miles of the system are maintained for commercial freight carrying; the rest of the system is used increasingly for recreation.

A3.25. This system is administered by the British Waterways Board, another statutory corporation whose borrowing requirements are met in large part by the Government.

Telecommunications

A3.26. There are several current telecommunications projects linked to industrial development, for example in connection with North Sea oil, new industrial estates and new towns; the provision of services as a pre-condition for industrial development is also important. Modernization and extension of existing systems is also needed to provide a reliable, nationwide service.

A3.27. The telecommunications systems throughout the United Kingdom is the responsibility of the Post Office, a statutory corporation. The Post Office, has received a series of loans from the European Investment Bank; the remainder of the finances is either obtained from the Government or by borrowing abroad.

(b) Services

Water supply, sewerage and land drainage

Electricity

A3.28. Within the Assisted Areas the development of the electricity supply system includes the provision of supplies to new industrial estates, and to other infrastructure projects (e.g. railway electrification, lighting of new roads), and rural electrification schemes.

A3.29. The electricity supply system is operated in England and Wales by the Central Electricity Generating Board (for generation and transmission) and by 12 Area Electricity Boards (for distribution): it is, however, proposed to provide for increased centralization of the electricity industry in England and Wales. In Scotland the supply system is operated by the South of Scotland Electricity Board and the North of Scotland Hydro-electric Board (for generation, transmission and distribution). In Northern Ireland electricity supply is the responsibility of the Northern Ireland Electricity Service.

A3.30. Most of the borrowing requirements of all the authorities are met by the Government.

Gas

A3.31. The improvement of the gas supply to and within the Assisted Areas is an important component of local infrastructure. A substantial part of current investment is concerned with the construction of a pipeline system with terminals and compressor stations to handle gas from the northern basin of the North Sea which is to be landed at St Fergus in the North-East of Scotland. This system will carry gas into Glasgow/Edinburgh area and on into the northern part of England and the North Midlands where it will link up with the present main transmission system. The mains and storage facilities form a completely integrated system which will boost supplies in Wales and the South-West of England.

A3.32. The public gas supply system in Great Britain is the responsibility of the British Gas Corporation, a statutory corporation whose borrowing requirements are met in large part by the Government.

A3.33. In Northern Ireland the gas industry consists of 9 municipal and 4 private undertakings.

A3.34. In England and Wales, public water services are provided by 10 large multi-purpose water authorities, seven of which cover Assisted Areas. There are also 28 statutory water companies supplying water in certain areas, on behalf of water authorities. The general boundaries of the 10 water authorities are based on catchment areas and do not coincide with political, regional or Assisted Area boundaries. In Scotland water services are provided by local authorities at regional level, and in Northern Ireland by Central Government.

A3.35. The general programmes of water authorities are submitted to Central Government on a five-year rolling basis and are controlled year by year by the imposition of overall limits of capital expenditure in the context of the continuous process of control of public expenditure.

A3.36. Water authorities finance capital works by borrowing, within the United Kingdom or abroad, or by use of internal resources. They may borrow in the United Kingdom only from the Government. Part of the cost of some schemes may come from grants under the Rural Water Supplies and Sewerage Acts or the Local Employment Act 1972. Water companies raise their capital by the issue of shares or debentures or by borrowing on mortgage.

A3.37. Economic development is unlikely to proceed in areas subject to flooding or the risk of flooding. Protection is therefore an important element in the preparation of sites at risk. In England and Wales, water authorities, internal drainage boards (statutory bodies set up in some areas to deal with local problems of land drainage which exist in their districts) and local authorities all have powers to carry out land drainage and flood protection works. In Scotland Central Government and local authorities at regional level are responsible as appropriate for land drainage, and in Northern Ireland Central Government is responsible.

A3.38. Expenditure on land drainage in England and Wales may be assisted financially by Central Government by grants under the Land Drainage Act 1976 or the Local Employment Act 1972. In Northern Ireland responsibility for arterial drainage rests with Central Government.

(c) **Other**

Industrial sites and factories

A3.39. Responsibility for the provision and preparation of industrial sites rests with the freeholder or main leaseholder, who arranges with the responsible authority for the provision of necessary infrastructure. Sites may be provided by local authorities, Government departments, public corporations and private sector companies. The scale of their operations, and their forward programmes, are determined in accordance with their respective procedures.

A3.40. In some parts of the Assisted Areas of Great Britain land for industrial development can be made available by the restoration of sites of industrial dereliction (e.g. slag heaps, derelict factories). Progressive clearance of sites of this kind also improves the environment of the localities concerned. A programme of land clearance is carried out in England, by local authorities and in Scotland and Wales by their respective Development Agencies. In Scotland, Wales and the English Assisted Areas and especially in designated Derelict Land Clearance Areas, 100% Government grants are available for this work.

A3.41. In order to ensure that factory accommodation is readily available to industrialists in areas where new industrial investment is wanted, programmes of factory building in advance of specific needs ('advance factories') are carried out. These projects are all related to the employment needs of the localities concerned. Experience has shown that the availability of modern premises is an important factor in attracting new enterprises to a town.

A3.42. The principal organizations which have these programmes are :

- (a) the English Industrial Estates Corporation which builds factories in England on behalf of the Department of Industry on sites provided by the Department;
- (b) the Scottish Development Agency, The Highland and Islands Development Agency, the Welsh Development Agency and the

Northern Ireland Department of Commerce which acquire sites and build factories in their respective areas.

These programmes are financed by the Government. The timing of the programme is related to the rate at which factories available are taken up.

A3.43. In addition, local authorities, new town development corporations, the Development Commission (in rural areas) and the Development Board for Rural Wales also carry out advance-factory developments related to the needs of particular localities. The expenditure of all these bodies is largely financed by the Government.

New towns

A3.44. Since 1946 28 new towns have been established in Great Britain. The early new towns were designated to relieve overcrowding in the main conurbations; more recently some new towns have been designated to act as focal points for the revitalization of parts of the North of England and their main relevance to regional policy is in this context. Within the concept of a new town the provision of housing and employment go together; this allows the provision of employment to be set in its proper social context, and the ready availability of housing to incoming workers has made the new towns in the Assisted Areas attractive centres of growth.

A3.45. The responsibility for the planning and development of each town is assigned to individual new town development corporations. They make sites available to incoming firms on a leasehold basis, and (as indicated in paragraph A3.43) also build advance factories for immediate occupation. This direct provision has been particularly important in the Assisted Areas.

A3.46. Most of the capital expenditure of the new town development corporations is financed by borrowing from the Government.

A3.47. In Northern Ireland, 4 towns have been designated under the New Towns Act (NI) 1965. These towns feature prominently in the overall physical development strategy for the region.

Employment forecasts

The United Kingdom Government does not believe that attempts should be made to measure the effectiveness of its regional policies by means of job targets. The general policy background is outlined in paragraph 3.2 of the programme, and this Annex deals with the methodological reasons why job targets are rejected.

Briefly, none of the methods put forward offers any prospect of arriving at figures which remotely approach the degree of reliability necessary for practical usefulness, for the following reasons.

First of all, it is not simply a matter of techniques in manipulating statistics, but is even more basically a matter of concepts. These include: defining a job in such a manner that it is clear when a new job has materialized or a previously existing one has disappeared; distinguishing between gross and net job creation; distinguishing between the rise and fall in employment as a result of macro-economic factors without necessarily any change in the number of equipped workplaces; distinguishing between changes in the number of equipped workplaces which occur in a fully autonomous manner and those which are associated with Governmental micro-economic interventions such as the awarding of regional incentives to firms; and distinguishing between the total of changes associated with micro-economic interventions which would, and the total of changes which would not, have occurred without those interventions.

Thus, according to what definition was employed, in a steady employment state something like 2 1/2 to 3 1/2% of equipped job-places in manufacturing might be deemed to cease to exist and to be replaced by a similar number of new ones in the course of a year. (As evidence on this point it might be observed that even in more prosperous times about 2 1/2% of manufacturing plants operating at the beginning of a year closed within that year; also that the average life of capital assets is treated as being of the order of 30 years in the

compilation of United Kingdom capital stock figures.) This represents 200 000 to 280 000 jobs per annum in the country as a whole. Fluctuation in employment in the course of a trade cycle might be of a similar order of magnitude without the dissolution of corresponding job-places. Employment to be furnished by the equipping of new job-places by individual investment projects given Selective Regional Assistance might typically be forecast to amount to 90 000 per annum in Assisted Areas of the United Kingdom. By contrast, economic analysis suggests that Assisted Area manufacturing employment levels have been raised above what they would have been in the absence of all regional policy instruments (not simply Selective Assistance) by about 25 000 per annum (cumulative) in the 1960s and by no more than 10 000 in the 1970s. There is considerable overlapping between the concepts here referred to. It seems futile to state a figure for 'job gap', particularly as a guide to the number of new jobs to be provided, without knowing the number of jobs already being provided per annum, and without knowing much about the relationship between one new job-place equipped and the change in the number of persons seeking a job but not having one.

The problem is, however, also a matter of techniques. For example, the United Kingdom Government is aware of the method being explored at present via a DG XVI-sponsored research project. This attempts to project, preferably for sub-regions, labour supply and labour demand independently and then compares the 2 projections to ascertain the balance or job gap. Each of the 2 main projections involves a long series of steps and particularly those of the labour demand (job supply) projection are each subject to considerable margins of error, involving as they do assumptions about the overall level of demand in the national economy concerned, the allocation of this demand between sectors, the allocation of sectoral demand

territorially, the projection of productivity trends by sectors, etc. Consequently the 2 main projections must be subject to wide margins of error. Yet the final assessment sought, the job gap, is the (relatively small) difference between these two (relatively large) unreliable projections.

It is accepted that certain projections, often of a more or less mechanical nature of labour demand and supply can give some useful insights into popu-

lation and employment prospects, although they do not necessarily provide a satisfactory basis for deriving quantified job targets. Such work has been carried out by a number of local authorities and others involved in various aspects of the physical planning process. This work is perhaps less subject to the criticisms described above when it relates to relatively isolated and more self-contained and more self-contained areas, and to areas which have relatively simple economic structures.

Statistics

This Annex contains the tables listed below :

- Table 1 — UK index of gross domestic product, 1965-76.
- Table 2 — Estimated home population and area, by region, mid-1976 (provisional).
- Table 3 — Gross domestic product per head of population 1972-75.
- Table 4 — Average weekly earnings of adult male full-time manual workers in manufacturing industry.
- Table 5 — Economic activity rates by region, 1971.
- Table 6 — Unemployed by Assisted-Area category, 1975-77.
- Table 7 — Unemployed by region, 1965-74.
- Table 8 — Unemployed by region and Assisted Area, 1975-77.
- Table 9 — Total employees in employment at mid-year, by industrial orders/groups, as a percentage of the UK total.
- Table 10 — Total employees in employment at mid-year, by region.
- Table 11 — Regional distribution of employers and self-employed, 1975.
- Table 12 — Capital expenditure in manufacturing industry, by region.
- Table 13 — Government expenditure on regional assistance to industry — Country analysis by financial year, 1974/75 to 1976/77.
- Table 14 — Government expenditure on financial assistance to industry — Regional analysis of certain expenditures, 1974/75 to 1976/77.
- Table 15 — Government assistance to industry and tourism : Forecast expenditure 1977/78 to 1979/80.
- Table 16 — Overall public expenditure by programme, 1977/78 to 1979/80.
- Table 17 — Estimates of capital expenditure on UK infrastructure programmes, 1976/77 to 1979/80.
- Table 18 — Estimates of capital expenditure on UK infrastructure programmes according to Assisted Areas; 1976/77 to 1979/80.

TABLE 1
UK index
of gross domestic product, 1965-76 at 1970 prices

(1970 = 100)

1965	89.4
1966	91.0
1967	92.1
1968	95.8
1969	98.1
1970	100.0
1971	101.8
1972	104.2
1973	110.4
1974	109.5
1975	107.8
1976	110.1

Source : Central Statistical Office.

TABLE 2
Estimated home population and area by region, mid-1976 (provisional)

(Thousands)

	Total home population 1976	Area (hectares)
Regions of England :		
North	3 122	1 540
Yorkshire & Humberside	4 892	1 542
East Midlands	3 733	1 560
East Anglia	1 803	1 256
South-East	16 894	2 722
South-West	4 254	2 385
West Midlands	5 165	1 301
North-West	6 554	731
England	46 418	13 036
Wales	2 767	2 077
Scotland	5 205	7 877
Great Britain	54 390	22 990
Northern Ireland	1 538	1 412
United Kingdom	55 928	24 402

Source : Office of Population Censuses and Surveys.

TABLE 3
Gross domestic product per head of population 1972-1975

(UK = 100)

	1972	1973	1974	1975
Regions of England :				
North	89.0	90.4	91.8	95.3
Yorkshire & Humberside	93.0	92.8	94.5	96.3
East Midlands	97.7	97.4	96.5	97.3
East Anglia	92.2	93.8	94.2	91.0
South-East	114.0	113.7	113.4	112.6
South-West	93.7	93.0	92.6	91.3
West Midlands	101.4	100.3	101.0	98.1
North-West	97.4	97.0	96.9	96.6
England	102.5	102.2	102.2	101.9
Wales	88.9	88.9	87.0	88.0
Scotland	91.9	94.1	94.1	96.8
Northern Ireland	70.8	73.1	75.9	75.5
United Kingdom	100	100	100	100

Source : Central Statistical Office, Regional Statistics 1977.

TABLE 4
Average weekly earnings of adult male full-time manual workers in manufacturing industry
(October of each year)

(Percent of UK average)

Area	1968	1971	1975	1976
North	97.2	100.7	105.9	104.1
Yorkshire & Humberside	93.2	92.2	96.3	97.7
East Midlands	96.3	94.0	94.4	94.4
East Anglia	91.8	92.1	94.6	95.8
South-East	104.7	105.1	103.1	101.6
South-West	96.6	95.7	95.9	95.4
West Midlands	105.3	103.1	99.6	100.1
North-West	97.2	97.9	98.2	98.1
Wales	102.0	102.4	99.6	103.7
Scotland	97.2	96.8	101.1	100.2
Northern Ireland	85.9	92.2	95.2	97.3
	100	100	100	100
United Kingdom	UKL 23.74	UKL 31.37	UKL 59.74	UKL 67.83

Source : Department of Employment annual inquiry.

TABLE 5
Economic activity rates by region, 1971
 Civilian labour force plus armed forces

(Percentages)

	Ages				
	15-24	25-44	45-64	65+	15+
<i>Males</i>					
United Kingdom	76.0	97.9	94.4	19.3	81.3
North	78.1	98.1	92.3	12.3	80.2
Yorkshire & Humberside	77.7	98.2	93.9	16.6	81.2
East Midlands	77.8	98.3	95.3	18.8	82.3
East Anglia	74.5	98.2	95.0	19.5	80.0
South-East	74.4	97.4	95.6	23.6	81.9
South-West	74.3	97.9	93.3	16.2	78.1
West-Midlands	78.8	98.6	95.6	20.7	84.1
North-West	77.6	98.1	94.0	17.7	81.6
England	76.2	97.9	94.7	19.7	81.6
Wales	75.0	98.0	91.2	13.3	78.5
Scotland	75.3	97.6	94.1	19.8	81.2
Northern Ireland	72.5	97.9	93.2	16.8	79.9
	Ages				
	15-24	25-44	45-59	60+	15+
<i>Females</i>					
United Kingdom	58.1	50.3	57.0	12.3	42.6
North	58.7	48.5	50.5	8.8	40.0
Yorkshire & Humberside	56.8	50.4	56.2	10.9	41.7
East Midlands	59.0	50.4	57.1	12.1	43.3
East Anglia	55.5	46.0	52.5	10.4	38.7
South-East	59.3	52.4	60.5	14.6	44.8
South-West	54.6	46.6	51.8	10.0	37.6
West Midlands	59.3	51.6	60.0	13.5	45.4
North-West	58.9	53.6	61.3	12.2	44.4
England	58.4	51.2	58.2	12.6	43.2
Wales	52.3	44.3	46.1	8.6	35.7
Scotland	58.1	48.7	56.6	12.3	42.4
Northern Ireland	56.7	40.4	40.5	8.6	36.0

Source : Census of Population 1971.

Commentary : Between 1966 and 1971 there was a general decline in male activity rates in all regions, concentrated in the 15-24 and 65 and over age groups. For all males 15 and over the rate for the UK declined from 86.2% in 1966 to 81.3% in 1971. For females the overall UK activity rate was unchanged at about 42% in both years (a lower rate in the 15-24 age group balanced by greater economic activity between ages 25 and 60). Two regions with traditionally low female activity rates, Wales and North of England, showed significant overall increase between 1966 and 1971.

TABLE 6
Unemployed by Assisted-Area category, 1975-1977

		June 1975 ¹		June 1976		June 1977		October 1977	
		Males	Total	Males	Total	Males	Total	Males	Total
Northern Ireland	Nos %	27 557 8.6	38 506 7.2	37 062 11.6	53 954 10.1	41 437 13.0	59 654 11.2	42 062 13.1	61 753 11.6
All Special Development Areas	Nos %	154 799 8.4	192 775 6.4	200 070 10.8	270 704 8.9	213 126 11.5	306 258 10.1	215 562 11.6	313 110 10.3
All Development Areas (excl. Special Dev. Areas)	Nos %	87 454 5.8	108 361 4.4	115 692 7.7	154 152 6.3	128 955 8.5	180 916 7.4	134 223 8.9	193 397 7.9
All Development Areas (incl. (incl. Special Dev. Areas)	Nos %	242 253 7.2	301 136 5.5	315 762 9.4	424 856 7.7	342 081 10.2	487 174 8.9	349 785 10.4	506 507 9.2
All Intermediates Areas	Nos %	130 204 4.8	156 042 3.5	190 883 7.1	251 046 5.6	190 019 7.0	263 028 5.9	194 661 7.2	275 814 6.2
All non-Assisted Areas	Nos %	309 127 3.9	374 144 2.9	465 735 5.9	601 982 4.6	477 270 6.1	640 199 4.9	484 262 6.2	674 262 5.2
United Kingdom	Nos %	709 141 5.0	869 828 3.7	1 009 442 7.1	1 331 838 5.6	1 050 807 7.4	1 450 055 6.2	1 070 770 7.5	1 518 336 6.4

The June 1975 figures include Adult Students.

All figures are on the basis of the Assisted Areas as defined at 31.12.1977.

TABLE 7
Unemployed by region, 1965-1974

		June 1965		June 1968		June 1971	
		No	%	No	%	No	%
Scotland	Males	39 135	3.0	58 248	4.5	94 366	7.2
	Females	15 548	1.8	16 322	1.9	21 157	2.6
	Total	54 683	2.6	74 570	3.5	115 523	5.5
Wales	Males	15 770	2.3	28 968	4.4	32 952	5.2
	Females	5 599	1.7	6 463	2.0	6 778	2.0
	Total	21 369	2.1	35 431	3.6	39 730	4.1
Northern Region	Males	21 519	2.5	47 752	5.7	57 382	6.9
	Females	6 491	1.5	7 725	1.7	9 595	2.2
	Total	28 010	2.1	55 477	4.3	66 977	5.3
Yorkshire & Humberside Region	Males	15 250	1.1	42 629	3.2	61 720	4.8
	Females	4 284	0.6	6 087	0.8	9 113	1.3
	Total	19 534	0.9	48 716	2.4	70 833	3.6
East Midlands Region	Males	9 236	1.0	22 049	2.3	34 911	3.8
	Females	2 322	0.4	3 448	0.6	5 614	1.1
	Total	11 558	0.8	25 497	1.7	40 525	2.8
South-West Region	Males	14 636	1.6	26 272	2.8	32 143	3.7
	Females	3 143	0.6	4 646	0.9	5 710	1.1
	Total	17 779	1.2	30 918	2.1	37 853	1.8
West Midlands Region	Males	10 223	0.7	37 662	2.5	52 762	3.6
	Females	3 467	0.4	6 486	0.8	8 298	1.0
	Total	13 690	0.6	44 148	1.9	61 060	2.7
North-West Region	Males	31 691	1.7	56 064	3.1	86 584	5.1
	Females	9 528	0.8	9 273	0.8	13 437	1.3
	Total	41 219	1.4	65 337	2.2	100 021	3.6
South-East Region	Males	45 166	0.9	100 234	2.1	117 655	2.5
	Females	10 893	0.4	15 015	0.5	15 695	0.5
	Total	56 059	0.7	115 249	1.5	133 350	1.8
East Anglia	Males	4 796	1.2	9 491	2.4	15 537	3.9
	Females	1 232	0.6	1 614	0.8	2 428	1.1
	Total	6 028	1.0	11 105	1.8	17 965	2.9
Northern Ireland	Males	20 761	6.6	26 909	8.4	28 709	8.9
	Females	7 972	4.2	8 548	4.4	8 247	4.2
	Total	28 733	5.7	35 457	6.9	36 956	7.1
All Assisted Areas, including Northern Ireland	Males	129 993	1.9	245 621	3.7	378 602	5.9
	Females	42 925	1.1	48 129	1.2	71 026	1.9
	Total	172 918	1.6	293 750	2.8	449 628	4.4
United Kingdom	Males	228 183	1.5	456 280	3.1	617 786	4.3
	Females	70 479	0.8	85 627	1.0	106 389	1.2
	Total	298 662	1.2	541 907	2.3	724 175	3.2

All figures are on the basis of the regions as defined at 31.12.1977.

TABLE 7
Unemployed by region, 1965-74 (continued)

		June 1972		June 1973		June 1974	
		No	%	No	%	No	%
Scotland	Males	100 578	7.8	73 016	5.6	63 856	4.9
	Females	26 025	3.2	19 271	2.3	14 084	1.6
	Total	126 603	6.0	92 287	4.3	77 940	3.6
Wales	Males	36 457	5.5	26 706	4.0	27 765	4.3
	Females	7 293	2.1	5 250	1.4	5 166	1.4
	Total	43 750	4.3	31 956	3.1	32 931	3.2
Northern Region	Males	62 203	7.5	47 386	5.7	57 175	5.6
	Females	11 729	2.6	9 032	1.9	8 195	1.7
	Total	73 932	5.8	56 418	4.3	53 370	4.1
Yorkshire & Humberside Region	Males	64 894	5.1	44 595	3.5	40 948	3.3
	Females	10 957	1.5	7 443	1.0	6 286	0.8
	Total	75 851	3.8	52 038	2.6	47 234	2.3
East Midlands Region	Males	35 715	3.9	25 177	2.7	25 445	2.8
	Females	5 945	1.1	4 212	0.7	4 104	0.7
	Total	41 660	2.8	29 389	2.0	29 549	2.0
South-West Region	Males	34 632	4.0	27 001	2.8	29 084	3.1
	Females	6 242	1.2	4 670	0.9	4 673	0.8
	Total	40 874	3.0	31 671	2.1	33 757	2.2
West Midlands Region	Males	65 074	4.6	38 039	2.7	36 495	2.6
	Females	11 518	1.4	7 498	0.9	6 658	0.8
	Total	76 592	3.4	45 537	2.0	43 153	1.9
North-West Region	Males	107 750	6.3	81 560	4.8	73 188	4.4
	Females	17 981	1.7	12 422	1.1	1 457	1.0
	Total	125 731	4.6	93 982	3.4	84 645	3.0
South-East Region	Males	123 875	2.7	88 948	2.0	88 498	2.0
	Females	18 538	0.6	12 745	0.4	13 271	0.4
	Total	142 413	1.9	101 693	1.4	101 769	1.4
East Anglia	Males	13 726	3.4	9 366	2.3	9 820	2.4
	Females	2 468	1.1	1 591	0.6	1 605	0.6
	Total	16 194	2.5	10 957	1.7	11 425	1.7
Northern Ireland	Males	28 697	9.1	22 293	7.1	20 519	6.5
	Females	10 103	5.3	8 035	4.1	6 787	3.3
	Total	38 800	7.6	30 328	5.9	27 306	5.2
All Assisted Areas, including Northern Ireland	Males	418 172	6.5	307 926	4.8	284 020	4.4
	Females	86 836	2.3	63 560	1.6	54 027	1.4
	Total	505 008	5.0	371 486	3.6	338 047	3.3
United Kingdom	Males	676 890	4.7	484 087	3.4	460 793	3.3
	Females	129 176	1.5	92 169	1.0	82 286	0.9
	Total	806 066	3.5	576 256	2.5	543 079	2.3

All figures are on the basis of the regions as defined at 31.12.1977.

TABLE 8 a
Unemployed by region and Assisted Area
June 1975 ¹

	Males		Females		Total	
	No	%	No	%	No	%
Scotland	77 738	6.0	23 852	2.7	101 590	4.7
of which : Development Area incl.	76 104	6.2	23 589	2.9	99 693	4.9
Special Development Areas	47 533	7.0	15 157	3.4	62 690	5.5
Intermediate Area	1 634	2.4	263	0.5	1 897	1.6
Wales						
of which : Development Area incl.	41 460	6.3	9 357	2.4	50 817	4.8
Special Development Areas	13 597	7.8	3 303	3.5	16 900	6.3
Intermediate Areas	5 036	5.6	1 000	2.0	6 036	4.2
Northern Region	58 514	7.0	13 534	2.7	72 048	5.4
of which : Development Area incl.	58 514	7.0	13 534	2.7	72 048	5.4
Special Development Areas	43 872	8.0	9 467	2.8	53 339	6.1
Yorkshire & Humberside Region	59 478	4.7	11 490	1.5	70 968	3.5
of which : Development Area	13 348	7.6	1 930	1.8	15 278	5.4
Intermediate Area	46 130	4.2	9 560	1.4	55 690	3.1
East Midlands Region	40 150	4.3	8 798	1.5	48 948	3.2
of which : Intermediate Areas	7 630	4.9	1 472	1.6	9 102	3.7
South-West Region	53 024	5.5	11 137	1.8	64 161	4.0
of which : Development Area	8 066	8.1	1 424	2.3	9 490	5.9
Intermediate Area	4 821	6.3	1 505	3.2	6 326	5.2
West Midlands Region	66 150	4.7	16 549	1.9	82 699	3.6
of which : Intermediate Area	519	6.8	120	2.2	639	4.9
North-West Region	114 231	6.8	21 967	2.0	136 198	4.8
of which : Development Area incl.	49 797	10.7	10 049	3.4	59 846	7.9
Special Development Area	49 797	10.7	10 049	3.4	59 846	7.9
Intermediate Area	64 434	5.3	11 918	1.4	76 352	3.7
South-East Region	153 233	3.4	29 292	1.0	182 525	2.4
East Anglia	17 606	4.2	3 762	1.4	21 368	3.1
Northern Ireland	27 557	8.6	10 949	5.2	38 506	7.2
All Assisted Areas, including Northern Ireland	400 014	6.3	95 670	2.3	495 684	4.7
United Kingdom	709 141	5.0	160 687	1.7	869 828	3.7

Figures for June 1975 include adult students.

TABLE 8 b
Unemployed by region and Assisted Area
June 1976

	Males		Females		Total	
	No	%	No	%	No	%
Scotland	105 352	8.1	38 782	4.4	144 134	6.6
of which : Development Area incl.	103 102	8.4	38 194	4.6	141 296	6.9
Special Development Areas	64 791	9.5	24 524	5.5	89 315	7.9
Intermediate Area	2 250	3.2	588	1.2	2 838	2.4
Wales						
of which : Development Area incl.	56 098	8.5	17 698	4.5	73 796	7.0
Special Development Areas	17 725	10.2	6 201	6.5	23 926	8.9
Intermediate Areas	7 721	8.7	2 240	4.3	9 961	7.0
Northern Region	76 223	9.2	28 530	5.6	104 753	7.8
of which : Development Area incl.	76 223	9.2	28 530	5.6	104 753	7.8
Special Development Areas	56 565	10.4	19 901	6.0	76 466	8.7
Yorkshire & Humberside Region	87 763	6.9	27 993	3.5	115 756	5.6
of which : Development Area	16 176	9.2	3 913	3.6	20 089	7.1
Intermediate Area	71 587	6.6	24 080	3.5	95 667	5.4
East Midlands Region	55 848	6.0	18 395	3.1	74 243	4.8
of which : Intermediate Areas	10 106	6.4	3 112	3.3	13 218	5.2
South-West Region	75 081	7.8	22 558	3.6	97 639	6.2
of which : Development Area	10 895	10.9	2 991	4.8	13 886	8.6
Intermediate Area	7 198	9.5	3 151	6.7	10 349	8.4
West Midlands Region	96 841	6.8	30 096	3.4	126 937	5.5
of which : Intermediate Area	709	9.2	182	3.4	891	6.8
North-West Region	152 301	9.0	46 818	4.2	199 119	7.1
of which : Development Area incl.	60 989	13.1	20 008	6.8	80 997	10.7
Special Development Area	60 989	13.1	20 008	6.8	80 997	10.7
Intermediate Area	91 312	7.5	26 810	3.2	118 122	5.8
South-East Region	240 851	5.4	67 072	2.2	307 923	4.1
East Anglia	26 022	6.1	7 562	2.8	33 584	4.9
Northern Ireland	37 062	11.6	16 892	8.0	53 954	10.1
All Assisted Areas, including Northern Ireland	543 707	8.5	186 149	4.7	729 856	7.1
United Kingdom	1 009 442	7.1	322 396	3.5	1 331 838	5.6

TABLE 8 c
Unemployed by region and Assisted Area
June 1977

	Males		Females		Total	
	No	%	No	%	No	%
Scotland	126 385	9.8	59 833	6.8	186 218	8.6
of which : Development Area incl.	123 544	10.1	58 514	7.1	182 058	8.9
Special Development Areas	78 095	11.5	37 162	8.3	115 257	10.2
Intermediate Area	2 841	4.1	1 319	2.7	4 160	3.5
Wales	57 365	8.7	22 257	5.7	79 622	7.6
of which : Development Area incl.	36 424	6.4	8 357	2.5	44 781	5.0
Special Development Areas	16 229	9.3	7 454	7.8	23 683	8.8
Intermediate Areas	7 753	8.5	2 970	5.5	10 723	7.3
Northern Region	80 801	9.7	34 717	6.9	115 518	8.6
of which : Development Area incl.	80 801	9.7	34 717	6.9	115 518	8.6
Special Development Areas	58 880	10.8	24 362	7.3	83 242	9.5
Yorkshire & Humberside Region	84 757	6.7	32 925	4.2	117 682	5.7
of which : Development Area	16 157	9.2	4 941	4.6	21 098	7.4
Intermediate Area	71 201	6.5	30 996	4.5	102 197	5.8
East Midlands Region	58 350	6.2	21 959	3.7	80 309	5.2
of which : Intermediate Areas	9 858	6.3	3 699	3.9	13 557	5.4
South-West Region	79 291	8.3	27 125	4.3	106 416	6.7
of which : Development Area	12 045	12.1	3 480	5.6	15 525	9.6
Intermediate Area	7 223	9.5	3 439	7.3	10 662	8.7
West Midlands Region	90 654	6.4	34 316	3.9	124 970	5.4
of which : Intermediate Area	740	9.6	259	4.8	999	7.6
North-West Region	152 926	9.1	57 493	5.1	210 419	7.5
of which : Development Area incl.	59 922	12.9	24 154	8.3	84 076	11.1
Special Development Area	59 922	12.9	24 154	8.3	84 076	11.1
Intermediate Area	93 004	7.6	33 339	4.0	126 343	6.2
South-East Region	250 811	5.6	81 229	2.7	332 040	4.4
East Anglia	28 030	6.6	9 177	3.4	37 207	5.4
Northern Ireland	41 437	13.0	18 217	8.6	59 654	11.2
All Assisted Areas, including Northern Ireland	573 537	9.0	236 319	5.7	809 856	7.7
United Kingdom	1 050 807	7.4	399 248	4.3	1 450 055	6.2

TABLE 9
Total employees in employment at mid-year,
by industrial orders/groups, as a percentage of the UK total

(Percentages)

	1965	1968	1971	1975	1976 Provisional
Agriculture, forestry, fishing	2.6	2.3	2.0	1.8	1.8
Mining and quarrying	2.7	2.1	1.8	1.6	1.5
Total, primary industries	5.3	4.4	3.8	3.3	3.3
Food, drink and tobacco	3.4	3.4	3.5	3.2	3.1
Chemicals and allied industries	1.9	1.9	2.0	1.9	1.9
Metal manufacture	2.8	2.6	2.5	2.2	2.1
Engineering ¹	8.9	9.0	9.2	8.3	8.1
Shipbuilding and marine engineering	0.9	0.9	0.9	0.8	0.8
Vehicles	3.7	3.6	3.7	3.3	3.3
Textiles, leather goods and clothing	5.8	5.4	5.1	4.3	4.3
Other manufacturing industries ²	10.0	9.7	9.6	8.9	8.8
Total, secondary industries	37.1	36.4	36.4	33.0	32.4
Construction	7.0	6.7	5.7	5.8	5.7
Gas, electricity, water and transport and communication	9.0	8.9	8.8	8.2	8.1
Distribution	12.6	12.2	11.8	12.2	12.1
Other services, including public administration ³	29.0	31.4	33.5	37.5	38.5
Total, tertiary industries ³	57.6	59.2	59.8	63.7	64.3
Total, all industries and services ³	100	100	100	100	100

¹ Includes mechanical engineering, instrument engineering and electrical engineering.

² Includes coal and petroleum products, metal goods not elsewhere specified, bricks, pottery, glass, cement etc., timber, furniture etc., paper printing and publishing and other manufacturing industries.

³ Excludes private domestic service.

Source : Department of Employment continuous estimates of employees in employment.

TABLE 10 a
Total employees in employment at mid-year
Northern Region

(Thousands)

	1965	1968	1971	1975	1976
Agriculture, forestry, fishing	24	20	18	17	16
Mining and quarrying	119	83	65	50	50
Total, primary industries	143	103	83	67	66
Food, drink and tobacco	30	32	34	33	32
Chemicals and allied industries	56	51	58	50	51
Metal manufacture	66	58	51	49	47
Engineering ¹	109	112	121	123	118
Shipbuilding and marine engineering	60	52	51	48	48
Vehicles	11	11	12	12	11
Textiles, leather goods and clothing	55	55	58	58	53
Other manufacturing industries ²	73	73	76	81	79
Total, secondary industries	459	444	461	454	438
Construction	94	101	84	96	96
Gas, electricity, water and transport and communication	110	101	91	88	86
Distribution	152	142	133	144	144
Other services, including public administration ³	310	331	356	418	425
Total, tertiary industries ³	666	675	664	746	750
Total, all industries and services ³	1 270	1 221	1 207	1 266	1 255

¹ Includes mechanical engineering, instrument engineering and electrical engineering.

² Includes coal and petroleum products, metal goods not elsewhere specified, bricks, pottery, glass, cement etc., timber, furniture etc., paper printing and publishing and other manufacturing industries.

³ Excludes private domestic service.

Source : Department of Employment continuous estimates of employees in employment.

TABLE 10 b
Total employees in employment at mid-year
Yorkshire & Humberside Region

(Thousands)

	1965	1968	1971	1975	1976
Agriculture, forestry, fishing	51	42	36	34	34
Mining and quarrying	123	102	89	83	82
Total, primary industries	174	144	125	117	116
Food, drink and tobacco	82	80	79	81	83
Chemicals and allied industries	35	35	34	35	34
Metal manufacture	128	112	104	94	92
Engineering ¹	138	132	136	127	122
Shipbuilding and marine engineering	7	6	7	7	6
Vehicles	47	44	43	43	44
Textiles, leather goods and clothing	231	208	184	155	148
Other manufacturing industries ²	192	193	191	190	182
Total, secondary industries	860	810	777	733	711
Construction	134	127	104	110	110
Gas, electricity, water and transport and communication	166	160	151	149	144
Distribution	236	220	209	229	226
Other services, including public administration ³	505	535	553	648	659
Total, tertiary industries ³	1 041	1 042	1 017	1 136	1 139
Total, all industries and services ³	2 073	1 996	1 918	1 985	1 968

¹ Includes mechanical engineering, instrument engineering and electrical engineering.

² Includes coal and petroleum products, metal goods not elsewhere specified, bricks, pottery, glass, cement etc., timber, furniture etc., paper printing and publishing and other manufacturing industries.

³ Excludes private domestic service.

Source : Department of Employment continuous estimates of employees in employment.

TABLE 10 c
Total employees in employment at mid-year
East Midlands Region

(Thousands)

	1965	1968	1971	1975	1976
Agriculture, forestry, fishing	54	47	39	37	35
Mining and quarrying	108	92	78	72	71
Total, primary industries	162	139	117	109	107
Food, drink and tobacco	47	49	50	50	49
Chemicals and allied industries	22	22	24	28	25
Metal manufacture	47	45	45	41	39
Engineering ¹	138	140	139	130	127
Shipbuilding and marine engineering	1	1	1	2	2
Vehicles	54	58	54	52	52
Textiles, leather goods and clothing	203	192	186	169	170
Other manufacturing industries ²	109	114	118	122	123
Total, secondary industries	620	621	618	593	587
Construction	92	86	71	76	78
Gas, electricity, water and transport and communication	103	97	96	99	96
Distribution	147	144	140	161	163
Other services, including public administration ³	329	351	369	448	466
Total, tertiary industries ³	671	678	676	784	803
Total, all industries and services ³	1 453	1 438	1 411	1 485	1 497

¹ Includes mechanical engineering, instrument engineering and electrical engineering.

² Includes coal and petroleum products, metal goods not elsewhere specified, bricks, pottery, glass, cement etc., timber, furniture etc., paper printing and publishing and other manufacturing industries.

³ Excludes private domestic service.

Source : Department of Employment continuous estimates of employees in employment.

TABLE 10 d
Total employees in employment at mid-year
South-West Region

(Thousands)

	1965	1968	1971	1975	1976
Agriculture, forestry, fishing	75	65	52	50	49
Mining and quarrying	15	12	13	11	11
Total, primary industries	90	77	65	61	61
Food, drink and tobacco	60	61	66	60	58
Chemicals and allied industries	13	13	13	16	16
Metal manufacture	7	7	9	7	7
Engineering ¹	106	111	118	120	118
Shipbuilding and marine engineering	24	24	20	19	21
Vehicles	64	64	64	59	59
Textiles, leather goods and clothing	45	43	41	36	36
Other manufacturing industries ²	104	106	109	107	106
Total, secondary industries	422	426	439	427	420
Construction	122	110	93	94	92
Gas, electricity, water and transport and communication	133	126	117	118	113
Distribution	213	197	189	206	203
Other services, including public administration ³	474	504	527	615	625
Total, tertiary industries ³	942	937	926	1 033	1 033
Total, all industries and services ³	1 453	1 440	1 429	1 523	1 514

¹ Includes mechanical engineering, instrument engineering and electrical engineering.

² Includes coal and petroleum products, metal goods not elsewhere specified, bricks, pottery, glass, cement etc., timber, furniture etc., paper printing and publishing and other manufacturing industries.

³ Excludes private domestic service.

Source : Department of Employment continuous estimates of employees in employment.

TABLE 10 e
Total employees in employment at mid-year
West Midlands Region

(Thousands)

	1965	1968	1971	1975	1976
Agriculture, forestry, fishing	47	41	34	32	32
Mining and quarrying	44	34	28	26	26
Total, primary industries	91	75	62	58	58
Food, drink and tobacco	63	60	61	55	55
Chemicals and allied industries	20	22	21	21	19
Metal manufacture	152	141	137	123	116
Engineering ¹	273	264	256	239	231
Shipbuilding and marine engineering	—	—	—	1	3
Vehicles	226	209	217	188	178
Textiles, leather goods and clothing	57	55	51	47	45
Other manufacturing industries ²	392	379	360	348	332
Total, secondary industries	1 185	1 131	1 104	1 021	979
Construction	141	131	104	105	107
Gas, electricity, water and transport and communication	142	135	134	130	127
Distribution	246	234	221	235	234
Other services, including public administration ³	527	560	582	663	682
Total, tertiary industries ³	1 056	1 060	1 041	1 133	1 149
Total, all industries and services ³	2 332	2 266	2 207	2 212	2 186

¹ Includes mechanical engineering, instrument engineering and electrical engineering.

² Includes coal and petroleum products, metal goods not elsewhere specified, bricks, pottery, glass, cement etc., timber, furniture etc., paper printing and publishing and other manufacturing industries.

³ Excludes private domestic service.

Source : Department of Employment continuous estimates of employees in employment.

TABLE 10 f
Total employees in employment at mid-year
North-West Region

(Thousands)

	1965	1968	1971	1975	1976
Agriculture, forestry, fishing	28	23	18	18	18
Mining and quarrying	33	24	17	15	15
Total, primary industries	61	47	35	33	32
Food, drink and tobacco	118	117	115	108	105
Chemicals and allied industries	104	98	99	96	96
Metal manufacture	37	34	30	22	20
Engineering ¹	278	266	259	236	221
Shipbuilding and marine engineering	12	13	12	11	10
Vehicles	115	124	121	118	119
Textiles, leather goods and clothing	303	260	231	197	189
Other manufacturing industries ²	286	286	265	253	245
Total, secondary industries	1 252	1 199	1 131	1 042	1 006
Construction	178	167	134	140	135
Gas, electricity, water and transport and communication	266	254	244	216	212
Distribution	376	348	316	329	320
Other services, including public administration ³	714	753	797	916	932
Total, tertiary industries ³	1 534	1 522	1 491	1 601	1 599
Total, all industries and services ³	2 845	2 768	2 657	2 675	2 638

¹ Includes mechanical engineering, instrument engineering and electrical engineering.

² Includes coal and petroleum products, metal goods not elsewhere specified, bricks, pottery, glass, cement etc., timber, furniture etc., paper printing and publishing and other manufacturing industries.

³ Excludes private domestic service.

Source : Department of Employment continuous estimates of employees in employment.

TABLE 10 g
Total employees in employment at mid-year
Scotland

(Thousands)

	1965	1968	1971	1975	1976
Agriculture, forestry, fishing	78	64	55	49	49
Mining and quarrying	61	45	39	36	35
Total, primary industries	139	109	94	85	84
Food, drink and tobacco	97	94	97	92	91
Chemicals and allied industries	31	31	28	28	29
Metal manufacture	53	47	46	44	39
Engineering ¹	172	171	165	165	157
Shipbuilding and marine engineering	51	46	45	43	42
Vehicles	42	38	37	36	32
Textiles, leather goods and clothing	124	119	106	94	91
Other manufacturing industries ²	156	155	146	136	128
Total, secondary industries	725	699	669	637	608
Construction	180	187	159	173	171
Gas, electricity, water and transport and communication	199	186	174	166	166
Distribution	283	264	238	241	237
Other services, including public administration ³	589	623	669	773	805
Total, tertiary industries ³	1 251	1 260	1 240	1 353	1 379
Total, all industries and services ³	2 116	2 068	2 003	2 076	2 071

¹ Includes mechanical engineering, instrument engineering and electrical engineering.

² Includes coal and petroleum products, metal goods not elsewhere specified, bricks, pottery, glass, cement etc., timber, furniture etc., paper printing and publishing and other manufacturing industries.

³ Excludes private domestic service.

Source : Department of Employment continuous estimates of employees in employment.

TABLE 10 h
Total employees in employment at mid-year
Wales

(Thousands)

	1965	1968	1971	1975	1976
Agriculture, forestry, fishing	39	34	28	26	26
Mining and quarrying	94	68	50	42	41
Total, primary industries	133	102	78	68	67
Food, drink and tobacco	21	20	20	19	19
Chemicals and allied industries	13	13	15	17	16
Metal manufacture	99	96	90	83	77
Engineering ¹	54	61	63	61	60
Shipbuilding and marine engineering	4	2	1	2	1
Vehicles	20	20	25	24	23
Textiles, leather goods and clothing	31	30	33	32	30
Other manufacturing industries ²	70	74	78	81	76
Total, secondary industries	311	315	324	317	303
Construction	73	71	69	66	69
Gas, electricity, water and transport and communication	95	88	83	81	78
Distribution	118	104	96	99	101
Other services, including public administration ³	299	311	312	366	377
Total, tertiary industries ³	585	574	560	612	625
Total, all industries and services ³	1 028	989	962	998	995

¹ Includes mechanical engineering, instrument engineering and electrical engineering.

² Includes coal and petroleum products, metal goods not elsewhere specified, bricks, pottery, glass, cement etc., timber, furniture etc., paper printing and publishing and other manufacturing industries.

³ Excludes private domestic service.

Source : Department of Employment continuous estimates of employees in employment.

TABLE 10 i
Total employees in employment at mid-year
Northern Ireland

(Thousands)

	1965	1968	1971	1975	1976
Agriculture, forestry, fishing	17	15	13	13	14
Mining and quarrying	3	3	2	2	2
Total, primary industries	20	18	15	15	16
Food, drink and tobacco	25	25	26	24	23
Chemicals and allied industries	2	3	2	2	2
Metal manufacture	—	—	—	—	—
Engineering ¹	25	26	26	26	22
Shipbuilding and marine engineering	13	8	9	10	10
Vehicles	10	10	9	9	10
Textiles, leather goods and clothing	74	68	68	56	52
Other manufacturing industries ²	23	25	30	27	28
Total, secondary industries	171	168	170	154	147
Construction	41	44	40	39	39
Gas, electricity, water and transport and communication	34	35	31	34	32
Distribution	63	61	55	53	53
Other services, including public administration ³	129	139	162	198	204
Total, tertiary industries ³	267	279	288	324	329
Total, all industries and services ³	460	464	473	494	492

¹ Includes mechanical engineering, instrument engineering and electrical engineering.

² Includes coal and petroleum products, metal goods not elsewhere specified, bricks, pottery, glass, cement etc., timber, furniture etc., paper printing and publishing and other manufacturing industries.

³ Excludes private domestic service.

Source : Department of Employment continuous estimates of employees in employment.

TABLE 11
Regional distribution of employers and self-employed, 1975

(Thousands)

	Agriculture, forestry and fishing	Mining and manufacturing	Construction	Distributive trades	Professional and scientific services	Other services	Total
North	17	3	11	20	6	18	75
Yorkshire & Humberside	18	10	29	43	13	43	156
East Midlands	18	9	26	32	10	23	118
East Anglia	18	4	17	12	7	18	76
South-East	30	49	143	127	95	169	613
South-West	39	9	44	34	15	45	186
West Midlands	21	10	33	39	16	37	156
North-West	15	12	41	61	20	58	207
England	176	106	344	368	182	411	1 587
Wales	29	4	18	24	7	22	104
Scotland	29	9	16	33	16	31	134
Northern Ireland	47	2	8	9	4	5	75
United Kingdom	281	122	386	434	208	470	1 866

Source : Department of Employment.

TABLE 12
Capital expenditure in manufacturing industry, by region

(UK = 100)

	Census of production				Department of Industry quarterly inquiry ³			
	1968 ¹	1971 ¹	1974 ²	1975 ²	1974	1975	1976 1st quarter	1976 2nd quarter
North	7.4	9.5	9.5	12.5	10.4	13.0	16.0	15.8
Yorkshire & Humberside	8.9	13.7	11.7	12.5	11.2	12.8	12.6	10.7
North-West	16.3	15.6	13.3	12.4	14.2	12.4	11.9	11.7
East Midlands	6.6	5.2	5.9	5.6	} 46.6	41.8	36.7	38.9
East Anglia	2.2	2.2	2.5	2.4				
South-East	22.8	20.1	24.0	21.0				
South-West	4.6	3.4	5.0	3.9				
West Midlands	11.4	10.2	9.9	9.1				
England	80.1	79.9	81.8	79.3	82.4	80.0	77.2	77.1
Wales	6.4	9.4	5.8	6.8	6.1	7.8	8.5	8.6
Scotland	10.8	8.1	9.6	11.3	9.3	10.5	12.3	12.0
Northern Ireland	2.7	2.6	2.7	2.6	2.2	1.7	1.9	2.1
United Kingdom (current prices)	100 (UKL 1 525 million)	100 (UKL 2 203 million)	100 (UKL 3 214 million)	100 (UKL 3 715 million)	100 (UKL 3 145 million)	100 (UKL 3 449 million)	100 (UKL 906 million)	100 (UKL 892 million)

¹ Census of production data for 1968 and 1971 is on old (pre-1974) regional boundaries.

² 1974 and 1975 census of production data are provisional.

³ The DOI quarterly inquiry is based on a sample and does not have quite the same asset coverage as the census of production.

Sources : Census of production and Department of Industry quarterly inquiry.

TABLE 13
Government expenditure on regional assistance to industry
 (regional differentials)
Country analysis by financial year, 1974/75 to 1976/77

	England			Scotland			Wales			Great Britain			Northern Ireland		
	1974/75	1975/76	1976/77	1974/75	1975/76	1976/77	1974/75	1975/76	1976/77	1974/75	1975/76	1976/77	1974/75	1975/76	1976/77
Regional Development Grant (Standard Capital Grant in Northern Ireland)	118.9	179.3	237.2	61.6	98.5	108.2	32.2	47.1	62.4	212.7	324.9	407.7	15.3	30.1	27.9
Selective financial assistance :															
Loans (inc. equity payments)	12.3	14.8	12.3	2.9	21.1	5.4	5.7	6.7	3.1	21.1	42.6	20.9	9.3	7.6	1.5
Grants	11.4	14.5	12.9	2.2	5.5	6.2	1.7	3.1	3.1	15.3	23.1	22.1	21.6	20.1	20.0
Local Employment Act assistance :															
Loans	0.3	—	—	—	—	—	—	—	—	0.3	—	—	—	—	—
Grants (inc. building grants)	9.2	5.0	1.4	7.7	6.7	0.7	3.7	1.8	2.5	20.6	13.5	4.6	—	—	—
Land and factories	5.9	11.3	16.8	5.9	7.8	—	6.9	7.1	—	18.7	26.2	16.8	13.3 ¹	11.6 ¹	8.4 ¹
Scottish and Welsh Development Agencies :															
Land and factories	—	—	—	—	2.9	9.4	—	3.2	8.9	—	6.1	18.3	—	—	—
Inv. Grant Differential (Estimate)	5.8	0.4	0.9	2.7	2.3	0.6	7.0	2.8	0.9	15.5	5.5	2.4	—	—	—
Regional Employment Premium	75.0	104.1	105.3	57.0	77.9	79.2	22.0	31.4	32.0	155.4 ²	215.2 ²	217.9 ²	15.1	19.3	19.1
Department of Employment preferential assistance to industrial training	4.1	—	—	2.0	—	—	1.6	—	—	7.7	4.4 ³	—	—	—	—
Tourism ⁴	0.7	1.3	1.4	0.4	0.6	0.7	0.5	0.8	0.9	1.6	2.7	3.0	0.7	1.3	1.2
Development Commission loans to swell tourism enterprises in the Development Areas	0.4	0.4	0.3	—	—	—	0.1	—	—	0.5	0.4	0.3	—	—	—
Highlands and Islands Development Board	—	—	—	3.9	4.8	5.6	—	—	—	3.9	4.8	5.6	—	—	—
Northern Ireland Development Agency	—	—	—	—	—	—	—	—	—	—	—	—	—	—	6.9
Northern Ireland Finance Corporation	—	—	—	—	—	—	—	—	—	—	—	—	8.8	6.1	0.3
Local Enterprise Development Unit (Northern Ireland)	—	—	—	—	—	—	—	—	—	—	—	—	2.2	2.1	2.5
Total	244.0	331.1	388.5	146.3	228.1	216.0	81.4	104.0	113.8	473.4	669.4	719.6	86.3	98.2	87.6

¹ Department of Commerce expenditure on factory building.

² Includes a small element which cannot be broken down below GB.

³ No breakdown below GB available.

⁴ Development of Tourism Act, Sec. 4 : expenditure in GB.

TABLE 14
Government expenditure on financial assistance to industry
Regional analysis of certain expenditures, 1974/1975 to 1976/1977

(UKL million)

	Regional Employment Premium			Regional Development Grant ¹		
	1974/75	1975/76	1976/77	1974/75	1975/76	1976/77
North ²	45	64	64	57.7	106.9	152.1
Yorkshire & Humberside ²	—	—	—	11.1	18.0	23.5
East Midlands	—	—	—	3.2	1.4	1.3
West Midlands	—	—	—	1.2	0.5	0.3
South-West	3	4	4	5.0	4.7	5.2
North-West	27	36	37	40.7	47.9	54.8
Wales	22	31	32	32.2	47.1	62.4
Scotland	57	78	79	61.6	98.5	108.2
Northern Ireland	15	19	19	15.3	30.1	27.9
United Kingdom	169	232	235	228.1	355.1	435.7

	Regional Selective Assistance					
	Loans paid ³			Grants paid		
	1974/75	1975/76	1976/77	1974/75	1975/76	1976/77
North	2.7	1.4	8.1	1.9	2.8	3.1
Yorkshire & Humberside	1.8	0.8	3.0	1.8	2.5	3.1
East Midlands	0.3	0.2	—	0.2	0.7	0.8
West Midlands	0.3	0.2	—	0.2	0.7	0.8
South-West	0.5	1.1	0.5	0.2	0.2	0.4
North-West	7.2	19.9	0.7	7.3	8.3	5.5
Wales	5.7	7.7	3.1	1.7	3.1	3.1
Scotland	2.9	21.1	5.4	2.2	5.5	6.2
Northern Ireland	9.3	7.6	1.5	21.6	20.1	20
United Kingdom	30.4	59.8	22.3	36.9	43.2	32.2

¹ Standard Capital Grant in Northern Ireland.

² The figure for North includes a portion for Yorkshire & Humberside.

³ Includes equity payments where appropriate.

TABLE 15
Government assistance to industry
Forecast expenditure 1977/78 to 1979/80

(UKL million at 1977 survey prices)

	1977/78	1978/79	1979/80
Regional Development Grants	380	438	434
Northern Ireland Capital Grants	22	26	27
Land and buildings	35	42	37
Selective financial assistance (GB)	51	56	62
Selective financial assistance (NI)	29	27	42
Other regional support ¹	111	132	126
Selective employment payments (NI)	18 ²	16	16
Total	646	737	744

¹ Includes : certain grants for basic services (access roads, water supplies, sewage and electricity); expenditure by the Development Fund and by the Highlands & Islands Development Board and the regionally preferential element of schemes, such as Investment Grants; and expenditure by Northern Ireland Development Agency and Local Enterprise Development Unit.

² Includes an element for Regional Employment Premium payments in Great Britain.

Note : All figures are net and allow for repayments, but do not include payments to nationalized industries.

Government assistance to tourism

Forecast expenditure, at 1977 prices, for selective assistance under the Development of Tourism Act 1969 (including similar expenditure in Northern Ireland, and by the Highlands and Islands Development Board) is :

(UKL million)

1977/78	1978/79	1979/80
8.6	10.1	10.3

TABLE 16
Overall public expenditure by programme, 1977/78 to 1979/80

(UKL million at 1977 survey prices)

	1977/78	1978/79	1979/80
1. Defence	6 255	6 289	6 494
2. Overseas aid and other overseas services	1 351	1 722	1 860
3. Agriculture, fisheries, food and forestry	899	706	654
4. Trade, industry and employment :			
Refinance of home shipbuilding and fixed-rate export credit	— 174	145	— 44
Other	1 970 ¹	2 798	2 632
5. Government lending to nationalized industries	420	1 350	1 550
6. Roads and transports	2 590	2 563	2 583
7. Housing	4 475	4 702	4 814
8. Other environmental services	2 532	2 594	2 626
9. Law, order and protective services	1 906	1 948	1 947
10. Education and libraries, science and arts	8 010	8 102	8 143
11. Health and personal social services	7 390	7 537	7 652
12. Social security	13 226	14 063	14 172
13. Other public services	844	854	865
14. Common services	833	910	952
15. Northern Ireland	1 742	1 815	1 811
Total programmes	54 320	58 100	58 711
Contingency reserve	—	750	1 500
Total	54 320	58 850	60 211
Debt interest	1 900	2 000	1 900
Total	56 220	60 850	62 111
Total programmes, contingency reserve and foreign and market borrowing of nationalized industries	54 850	58 550	59 611

¹ Net of UKL 559 million for proceeds of sale of shares in the British Petroleum Company.
Source : PES White Paper (Cmnd. 7049).

TABLE 17
Estimates of capital expenditure on UK infrastructure programmes,
1976/77 to 1979/80

(UK£ million at 1977 survey prices)

	1976/77	1977/78	1978/79	1979/80
Railways	268	296	295	292
Airports	45	40	37	39
Inland waterways	12	14	18	17
Telecommunications	849	857	867	868
Electricity	892	816	850	835
Gas	282	226	260	392

Note : Most infrastructure programmes in the UK are not drawn up on a regional or an Assisted-Area basis, although some programmes are separated as between the four countries of England, Scotland, Wales and Northern Ireland. Scotland, Wales and Northern Ireland are each wholly Assisted Areas and separate information about many infrastructure programmes is available for those countries. In England, however, only about a third is assisted and separate information about the Assisted-Area element of infrastructure programmes is generally not available, though in a few cases estimates are possible. For integrated infrastructure systems such as railways, gas, electricity and telecommunications no breakdown between countries or Assisted Areas is available. Even if available, such a breakdown would not be meaningful. The Tables 17 and 18 give estimates of capital expenditure on infrastructure programmes for the period 1976-80.

Table 17 gives national estimates for the programmes for which no further breakdown is possible.

Table 18 gives national estimates and also some further breakdown for those programmes for which a further breakdown is possible.

TABLE 18
Estimates of capital expenditure on UK infrastructure programmes
according to Assisted Areas, 1976/77 to 1979/80

(UKL million at 1977 survey prices)

									Assisted Areas															
	United Kingdom				England				England				Scotland				Wales				Northern Ireland			
	1976/ 1977	1977/ 1978	1978/ 1979	1979/ 1980	1976/ 1977	1977/ 1978	1978/ 1979	1979/ 1980	1976/ 1977	1977/ 1978	1978/ 1979	1979/ 1980	1976/ 1977	1977/ 1978	1978/ 1979	1979/ 1980	1976/ 1977	1977/ 1978	1978/ 1979	1979/ 1980	1976/ 1977	1977/ 1978	1978/ 1979	1979/ 1980
Roads																								
Trunk	482	385	437	435	365	256	305	302	100	100	60/ 80	50/ 70	52	56	49	52	45	43	54	55	20	30	29	26
Other	360	287	267	277	281	219	199	204	NA	NA	NA	NA	61	52	44	48	18	16	24	25				
Total	842	672	704	712	646	475	504	506	NA	NA	NA	NA	113	108	93	100	63	59	78	80				
Ports	68	72	52	48	57	63	44	44	18	29	26	18	7	5	2	1	2	2	3	—	2	2	3	3
Water and sewerage	620	556	554	589	515	437	426	453	210	190	170	185	52	59	61	63	39	40	44	52	14	20	23	21
Derelict land clearance	20	26	32	34	14	15	18	18	12	13	14	14	1	6	9	10	5	5	5	6	—	—	—	—
New town factory building	33	46	45	46	25	35	35	35	10	12	20	20	6	9	9	10	2	2	1	1	—	—	—	—

**Additional information provided in September/October 1978
at the request of the Commission,
amplifying the information contained in the regional development programme**

A - Infrastructure : regional breakdown of expenditure 1976/80

1. Airports
2. Trunk roads
3. Local roads
4. Ports
5. Water & sewerage
6. New towns

B - Declining industries : Structures, employment and prospects

1. Coal
2. Steel
3. Shipbuilding
4. Textiles

C - Census of production 1972-1976

Estimates of regional capital expenditure by industry groups

D - Civilian labour force projections for regions of the United Kingdom

A - Infrastructure : regional breakdown of expenditure 1976/80

1. AIRPORTS

1. Table 17 of the UK Programme gives estimates of capital expenditure on airports in the United Kingdom. The figures relate to expenditure by the British Airports Authority. Below is an approximate regional breakdown for all airport infrastructure authorities, i.e. the Civil Aviation Authority (which operates eight small airports in the Highlands and Islands of Scotland) and certain local authorities which own and operate aerodromes.

1977 Survey prices

(UKL million)

English economic planning regions	1976/77	1977/78	1978/79	1979/80
North	—	—	1	—
North West	1	1	1	3
West Midlands ¹	—	—	5	12
South East ¹	32	36	33	36
	33	37	40	51
Scotland	14	5	13	9
Wales	—	—	—	—
Northern Ireland	—	—	3	3
	47	42	56	63

¹ Aerodromes in these Regions do not fall in the Assisted Areas.

2. Detailed costed programmes of capital expenditure covering five years ahead are produced by each type of authority responsible for an aerodrome or aerodromes. All programmes require to be approved by Central Government. The programmes are confidential but the approved expenditure figures are published. Programmes are modified and rolled forward annually and major items and significant changes in them require detailed Central Government approval.

2. TRUNK ROADS

1. Table 18 of the UK Programme gives estimates of expenditure on trunk roads. The figures in-

clude the costs of the Regional Road Construction Units, land acquisition, contract costs and some other items. Below are estimated figures (for England) on a regional basis which refer to costs of new construction, improvement and land acquisition only. No split is available for those Regions which include both Assisted Areas and non-Assisted Areas.

1977 Survey prices

(UKL million)

English economic planning regions	1976/77	1977/78	1978/79	1979/80
North	30	10	10	20
North West	40	20	35	50
Yorks & Humberside	25	45	45	20
East Midlands ¹	20	10	5	5
West Midlands ¹	25	10	10	10
South West ¹	55	30	15	10
South East ²	110	70	120	140
East Anglia ²	20	30	30	20
	325	225	270	275

¹ Regions partly Assisted.

² Regions completely non-Assisted.

2. Central Government meets the costs of the construction, improvement and maintenance of trunk motorways and other trunk roads. Work on the major road schemes in England, including motorways, is controlled by Regional Road Construction Units, staffed by the Department of Transport and the County Councils which are Highways Authorities. The trunk road programme is based on close liaison between the Department of Transport and the County Councils.

3. LOCAL ROADS

1. Table 18 of the UK Programme gives figures of estimated expenditure on 'other', i.e. local roads in England, with no separate estimate for the Assisted Areas. Below is an estimated regional breakdown

for England of the expenditure. No split is available for those Regions which include both Assisted Areas and non-Assisted Areas.

1977 Survey prices

(UKL million)

English economic planning regions	1976/77	1977/78	1978/79	1979/80
North	25.4	12.1	10.2	8.0
North West	40.0	36.2	33.9	31.8
Yorks & Humberside	43.0	34.4	27.1	20.2
East Midlands ¹	22.3	14.1	13.8	20.9
West Midlands ¹	45.4	32.7	25.9	24.3
South West ¹	17.2	11.6	11.1	13.9
South East ²	84.2	69.5	66.0	82.1
East Anglia ²	8.5	6.4	6.0	6.8
	286	217	194	208

¹ Regions partly Assisted.

² Regions completely non-Assisted.

2. The responsibility for local roads lies with the County Councils as the Highway Authority. Each year the County Councils are required to submit Transport Policies and Programmes (TPPs) to Central Government. These documents set out the objectives and plans for all local transport matters, including local roads, for 5 to 10 years ahead, with a detailed analysis of expenditure intentions for a 5 year period. The TPP submission provides the basis for the allocation of Transport Supplementary Grant (TSG) which is a block grant designed to assist County Councils with expenditure on local transport. TPPs are not generally publicly available.

4. PORTS

1. Table 18 of the UK Programme gives estimates of expenditure on ports. Owing to an oversight the figures for Scotland are incomplete, and do not show expenditure in respect of all ports in Scotland. These incomplete figures produced distortions in other entries. Below are given corrected figures for Scotland and also an estimated breakdown of the English expenditure between regions.

2. The port authorities include the British Transport Docks Board (which is a public corporation), local authorities, statutory harbour authorities, and privately-owned companies. The British Transport Docks Board produce annually a five year expenditure programme which is subject to approval by Central Government. Other port authorities each year supply a five year capital

1977 Survey prices

(UKL million)

English economic planning regions	1976/77	1977/78	1978/79	1979/80
North	7.0	4.3	9.9	8.2
North West	9.5	16.9	13.5	7.9
Yorks & Humberside	1.6	2.5	2.2	2.2
East Midlands ¹	0.1	0.1	0.2	0.2
West Midlands ¹	no ports			
South West ¹	8.9	3.4	2.6	2.2
South East ²	17.4	23.3	15.2	9.8
East Anglia ²	0.7	1.1	1.5	1.6
	45.2	51.6	45.1	32.1
Scotland	20	17.8	8.6	19.5
Wales	2	2	3	—
Northern Ireland	2	2	3	3
	69.2	73.4	59.7	54.6

¹ Regions partly Assisted.

² Regions completely non-Assisted.

programme, providing details of their overall expenditure plans and itemising those development projects which are expected to cost over UKL million. These programmes are not subject to overall approval. All ports programmes are confidential. In addition, all individual port investments of over UKL million require specific Government consent.

5. WATER AND SEWERAGE

1. Table 18 of the UK Programme shows estimated expenditure in England, Scotland, Wales and Northern Ireland on water and sewerage. Regional breakdowns for England of capital expenditure are not available. The boundaries of the Economic Planning Regions and the Regional Water Authorities do not coincide. The attached map shows the respective boundaries. Also, schemes sometimes benefit areas away from the location of the actual works. For example, the Severn-Trent water supply schemes in Wales are for the benefit of the West Midlands. An estimate given in Table 18 of the expenditure in England which relates to the Assisted Areas. This estimate does not purport to be an exact measurement. Any attempt to provide a regional breakdown of this figure would be liable to considerable error.

2. Each of the ten Regional Water Authorities in England and Wales produces annually a plan covering the immediate five year period of its capital investment programme, set against the background

of an assessment of the whole range of the Authority's functions with a time scale of 20 years. The plans contain detailed and costed five year capital programmes with lists of major individual schemes costing more than UKL 0.5 million. Central Government approval is required for the financial year's capital expenditure. The plans prepared by Regional Water Authorities are public. Copies of the plans of the Northumbrian, North West and South West Water Authorities have already been sent to the Commission. The copies of the plans of the other Regional Water Authorities which include Assisted Areas (Yorkshire, Anglian and Severn-Trent Water Authorities) are enclosed herewith.

1977 Survey prices

(UKL million)

English economic planning regions	1976/77	1977/78	1978/79	1979/80
North	3.6	5.1	7.2	10.8
North West	4.8	7.2	10.8	9.4
Yorks & Humberside	—	—	—	—
East Midlands ¹	3.5	3.4	4.7	7.7
West Midlands ¹	2.6	4.4	7.2	5.5
South West	—	—	—	—
South East	2.2	7.5	7.4	10.9
East Anglia	—	—	—	—
	16.7	27.6	37.3	44.3

¹ These Regions are partly Assisted but none of the New Towns in them fall within the Assisted Areas.

6. NEW TOWNS

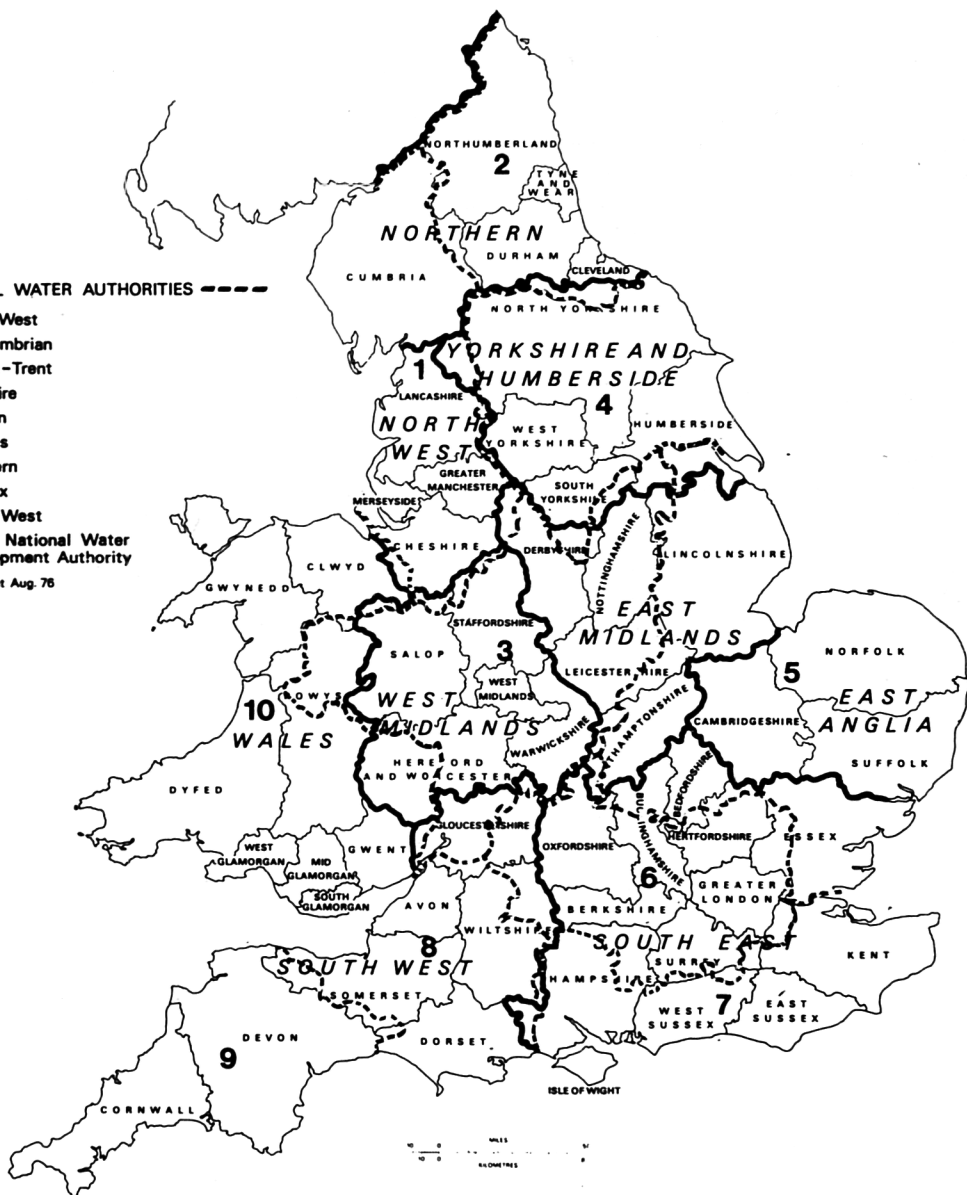
1. Table 18 of the UK Programme gave estimates of expenditure on New Town factory building. Below are provided figures, with an estimated regional breakdown, for England on a more accurate basis.

2. The Government provides funds, mainly by way of loans, to the New Town Development Corporation to enable them to undertake develop-

ments. Each year Development Corporations submit both a detailed breakdown of their estimated expenditure for the next financial year as well as forecasts of their expenditure for the next 5 years. These submissions are not published. The bids submitted are considered by Central Government in the light of cash limits to which Government must work, and the expected performance of each Corporation. Allocations are made accordingly.

REGIONAL WATER AUTHORITIES -----

- 1 North West
 - 2 Northumbrian
 - 3 Severn-Trent
 - 4 Yorkshire
 - 5 Anglian
 - 6 Thames
 - 7 Southern
 - 8 Wessex
 - 9 South West
 - 10 Welsh National Water Development Authority
- as at Aug. 76



B - Declining industries : structures, employment, and prospects

1. COAL

Structure of the Industry

The number of mines being worked by the National Coal Board has declined from 958 in 1947, at the time of nationalization, to 231 at the end of March 1978. The major coalfields are in Scotland, the North East of England (Northumberland and Durham), the Central coalfield (Yorkshire, Nottinghamshire and Derbyshire) and South Wales. There are smaller coalfields in Merseyside, Staffordshire, Leicestershire, Warwickshire and Kent.

Employment

At the end of March 1978 the coal industry employed 292 600 people. 239 300 of these were employed at coal mines, which marks a decline from a figure of 711 500 in 1953. The following table shows the changes in manpower employed at mines over the last four years :

March 1975	248 800
March 1976	243 700
March 1977	242 100
March 1978	239 300.

This decline has been caused by the closure of collieries which have ceased to be economic, and by the increase in productivity brought about by mechanization.

The following table shows the extent to which mines are located in Assisted Areas. The position is as at the end of March 1978.

Economic Planning Region	Status	Producing Collieries	Manpower
<i>Scotland</i>	SDA	7	5 814
	DA	12	15 584
North	SDA	29	33 050
	DA	2	1 211
Yorkshire and Humberside	SDA	—	—
	DA	—	—
	IA	64	64 580
North West	SDA	3	2 949
	DA	—	—
	IA	6	6 022
East Midlands	SDA	—	—
	DA	—	—
	IA	20	20 019
Wales	SDA	30	21 423
	DA	9	6 213
Total	SDA	69	63 236
	DA	23	23 008
	IA	90	90 621

Future prospects

The general strategy of the NCB is based on the implementation of 'Plan for Coal' a programme drawn up following the world oil crisis of 1973.

It provides a reassessment of the competitiveness of the coal industry in a world in which the cheap energy supplies of the 1950s and 1960s will no longer be available. Under the plan there will be a 10 year investment programme, costing some UKL 4 300 million at March 1978 prices, but the new jobs this will create will be offset by the trend towards closure of older mines and the expected increase in output per man, caused by new methods and machines.

2. STEEL

Structure of the Industry

Although steel is a nationalized industry, The British Steel Corporation (BSC) does not cover the entire industry. BSC supplied 54.8% of the UK market for finished steel in the financial year 1977/78; 24.8% was supplied by the UK private sector steel producers and 20.4% by imports.

Employment

(a) Figures for BSC employment over the last 5 years show a steady decline in the workforce involved in iron and steel activities, the fall being particularly heavy in Wales, Scotland, the Northern and North Western regions.

	South East	East Anglia	South West	West Midlands	East Midlands	Yorkshire and Humberside
September 1973	2 030	—	—	9 760	21 830	38 740
September 1974	2 340	—	—	9 540	20 580	39 870
September 1975	2 480	—	—	9 380	20 790	40 270
September 1976	2 220	—	10	8 230	20 110	39 260
September 1977	1 470	—	—	8 460	19 470	40 480
Change	— 560	—	—	— 1 300	— 2 360	+ 1 740

	North West	North	Scotland	Wales	Northern Ireland	Total
September 1973	5 860	36 210	23 530	63 460	—	201 420
September 1974	3 230	34 970	23 840	61 570	—	195 940
September 1975	3 110	34 940	23 030	57 740	—	191 740
September 1976	2 810	33 760	20 460	55 740	—	182 600
September 1977	2 780	33 044	20 260	56 010	—	182 370
Change	— 3 080	— 2 770	— 3 270	— 7 450	—	— 19 050

In September 1977 terms were agreed for the closure of the Clyde iron works in Scotland. This was followed by agreement in December 1977 on the ending of steelmaking at Hartlepool in Northern England, and in March 1978 on the complete closure of the East Moors steelworks in South Wales. Steelmaking at Ebbw Vale in South Wales has also been ended, with the loss of 1 730 jobs. Steelmaking ceased at Shelton in June, and negotiations about severance terms are just beginning. The number of those employed by BSC in iron and steel activities had fallen to 164 500 by March 1978.

(b) Private sector employment is around 80 000. Whilst there has been no dramatic overall fall in

the last few years, there have been redundancies and many more companies have reduced their workforce by natural wastage, reflecting both modernization and continuing depressed market conditions. The British Independent Steel Producers Association claim that employment in special steels has fallen by 3 500 since 1975.

Importance to Assisted Areas

Almost all BSC's steelworks are in assisted areas. The only steelworks outside these areas are at Pilston, and Corby, whose total production capability accounts for well under 10% of BSC's total liquid steel production capability.

The private companies are concentrated in three areas — Sheffield (Intermediate Area), the centre of special steel production, the West Midlands,

where many of the re-rolling companies are based and South Wales (Special Development Area), where there are some of the largest private sector electric arc plants.

Future prospects

The Government's policy towards the industry was outlined in a White Paper 'BSC the road to viability' (Cmnd 7149), published in March 1978. This stated that it would be for BSC to begin negotiations, at their discretion, in respect of closures at 'high cost' steelworks, with the TUC Steel Committees and local workforces. This, together with the need to raise output per man in BSC, suggests that

the future trend in employment in the industry will be downwards.

Most private companies have avoided loss during the steel recession by cutting back on the level of operations, reducing manning and in some cases relying on downstream activities. Few companies are prepared to embark on major schemes under present market conditions, and there is evidence to suggest that the pressure to reduce the workforce is increasing, as demand shows no sign of recovery.

3. SHIPBUILDING

Structure of the industry

The shipbuilding, ship-repair and marine engineering industries employed about 180 000 people in 1977; they were also quite large indirect em-

ployers of labour in certain areas. About 80 000 were employed in merchant and warship building, 20 000 in ship-repair establishments, 15 000 in boatbuilding and off-shore rigs, 35 000 in naval dockyards and 25 000 in marine engineering. In 1977 the larger merchant shipbuilders, warship builders and marine engine builders were brought into public ownership. The new corporation, British Shipbuilders, has since acquired a number of ship repairers previously in private hands, and now has a total of about 84 000 employees.

Employment

About 75 % of those employed in the industry work in the Assisted Areas. Overall employment over the last five years has remained largely stable, although some areas have suffered, as these tables for the major merchant shipyards of British Shipbuilders indicate :

	Tyne	Wear	Tees	Lower Clyde	Upper Clyde	Scottish East Coast
1972	13 527	6 577	4 635	6 584	4 080	2 935
1973	13 148	6 708	4 363	6 554	4 884	2 693
1974	11 972	6 693	4 168	6 689	4 914	2 635
1975	11 258	6 833	4 038	6 809	5 631	2 771
1976	12 368	7 361	3 909	6 564	5 739	2 758
1977	11 884	7 517	3 775	6 115	5 758	2 480
Change	— 1 643	+ 940	— 860	— 469	+ 1 678	— 455

The losses in direct employment seen in the table are invariably accompanied by losses in indirect employment. This is particularly vital in certain areas, notably the Greenock/Gourock area of Clydeside.

Future prospects

The severe world-wide depression in demand for merchant shipbuilding and the decline in the UK share of the total world's construction will inevitably have an impact on future employment levels. British Shipbuilders will be completing their first corporate plan by the end of this year; it is therefore not possible to make any detailed predictions about employment prospects at this stage.

4. TEXTILES

Structure of the Industry

Over 750 000 people are employed in different, but inter-related, sectors of the textiles and clothing industry.

The structure of the main sectors of the industry can be described as follows :

Man-made fibre production :	6 major companies account for about 99 % of production.
Cotton spinning and weaving (the 'Lancashire' sector) :	A handful of vertically-integrated groups account for the bulk of production, but quite a large number of small independent producers remain.
Woollen and worsted :	Few large companies and many small family firms.
Carpets :	Mainly large firms.
Knitting :	A few large firms, but mainly small companies.
Clothing :	Highly fragmented; over 6 000 firms, many very small units.

The leading UK textile company (Courtaulds) which is active in most of the main sectors accounts for about 10% of UK employment in textiles and clothing.

Employment

The only official source of information on the structure of the textile industry is the census of production. The most recent figures available from this show that there was a fall of 27% in employment between 1963 and 1972. The process of contraction and concentration has continued since 1972. Figures showing the regional distribution of employment for the textile industry in 1971 and 1976 are given below :

The industry is particularly important to Northern Ireland, parts of Scotland, Lancashire, Yorkshire all of whom have suffered a particularly heavy loss of textiles employment in recent years and the East Midlands. Below regional level it is highly significant for the employment prospects of certain towns.

Future prospects

There is not doubt that the trend towards contraction in the industry will continue. A further fall in employment is inevitable, particularly given the improvement in productivity which can be expected in the future.

<i>(Thousands)</i>						
	South East	East Anglia	South West	West Midlands	East Midlands	Yorkshire and Humberside
1971	27.2	3.2	13.5	26.9	110.6	132.6
1976	20.3	3.0	11.6	23.7	107.9	102.2
Change	— 6.9	— 0.2	— 1.9	— 3.2	— 2.7	— 30.4

	North West	North	Wales	Scotland	Northern Ireland	Total United Kingdom
1971	156.6	21.2	17.3	72.0	40.8	622.0
1976	118.9	20.6	14.3	57.2	33.3	513.0
Change	— 37.7	— 0.6	— 3.0	— 14.8	— 7.5	— 109.0

C - Census of production 1972-1976

Estimates of regional capital expenditure by industry groups

The table below brings together from censuses of production data on net capital expenditure in Scotland, Wales and Northern Ireland and the eight standard regions of England for the years 1972-76. The estimates of capital expenditure for 1974-76 are provisional.

The standard regions for statistical purposes, including this analysis, coincide with the economic planning regions. The boundaries of the economic planning regions in England were adjusted on 1 April 1974 to take account of local government reorganization under the Local Government Act 1972. The figures for 1972-73 are on the basis of the regions as they existed before 1 April 1974; those for 1974-76 are on the new basis.

Net capital expenditure by industry groups ^{1 2} All manufacturing industries : all establishments in the United Kingdom

(UKL million)

		Food, drink and tobacco	Coal, petroleum, chemical products and metal manufacture	Engineering and allied industries	Textiles, leather and clothing	Other manufacturing industries	All manufacturing industries
Orders		III	IV-VI	VII-XII	XIII-XV	XVI-XIX	III-XIX
United Kingdom	1972	279.2	670.1	521.7	140.7	365.7	1 977.3
	1973	358.3	543.2	676.7	232.1	472.1	2 282.3
	1974 ³	469.4	853.5	1 011.4	291.0	588.8	3 214.1
	1975 ³	473.7	1 312.6	1 099.6	268.5	560.2	3 714.6
	1976 ³	530.1	1 424.9	1 223.9	234.5	626.3	4 044.7
<i>Standard regions</i>							
North	1972	13.0	97.3	37.0	8.2	17.0	172.4
	1973	18.7	87.2	34.1	22.5	23.9	186.4
	1974 ³	18.1	181.4	58.3	22.0	26.6	306.4
	1975 ³	15.0	336.8	69.7	16.9	24.7	463.1
	1976 ³	25.6	351.4	55.8	15.5	30.5	478.8
Yorkshire & Humberside	1972	15.9	137.4	38.3	28.3	29.6	249.3
	1973	31.0	76.2	48.3	43.9	44.1	243.4
	1974 ³	40.8	148.5	67.1	55.4	63.6	375.4
	1975 ³	31.7	238.4	81.9	54.8	56.9	463.8
	1976 ³	46.4	227.6	90.4	45.6	57.6	467.6
East Midlands	1972	22.0	20.0	28.5	22.5	25.3	118.3
	1973	28.3	19.0	36.1	28.2	30.1	141.8
	1974 ³	32.3	30.1	55.0	31.3	40.1	188.8
	1975 ³	33.2	37.6	65.8	26.1	43.5	205.2
	1976 ³	41.0	62.9	91.3	35.5	59.6	290.3
East Anglia	1972	18.0	4.8	8.5	0.8	12.7	44.8
	1973	17.2	4.9	18.1	1.5	7.1	58.8
	1974 ³	24.0	7.6	27.0	1.4	2.3	81.3
	1975 ³	24.7	8.9	32.2	2.1	20.8	88.7
	1976 ³	25.4	13.2	32.0	1.5	17.4	89.6

¹ Net capital expenditure : new building work plus acquisitions less disposals of land and existing buildings, plant and machinery and vehicles. Capital expenditure in respect of establishments where production had not commenced before the end of the year, is included.

² Industry groups : orders or combinations of orders in the Standard Industrial Classification (revised 1968).

³ Provisional estimates : those for 1974 and 1975 were originally published in *Trade and Industry*, 11 March 1977.

		Food, drink and tobacco	Coal, petroleum chemical products and metal manufacture	Engineering and allied industries	Textiles, leather and clothing	Other manu- facturing industries	All manu- facturing industries
Orders		III	IV-VI	VII-XII	XIII-XV	XVI-XIX	III-XIX
South East	1972	59.4	69.5	151.1	11.9	109.5	401.4
	1973	72.5	87.0	196.6	11.9	138.4	506.4
	1974 ³	115.3	130.3	325.2	24.4	175.7	770.9
	1975 ³	111.1	153.6	342.5	17.0	154.8	779.0
	1976 ³	129.6	156.4	337.0	13.7	191.8	833.6
South West	1972	26.7	11.4	34.2	3.2	20.5	95.9
	1973	30.7	10.8	39.4	4.4	26.9	112.2
	1974 ³	39.3	16.5	65.6	8.5	31.4	161.3
	1975 ³	25.5	13.3	69.6	7.5	29.9	145.8
	1976 ³	35.2	17.1	66.3	6.1	39.0	163.8
West Midlands	1972	33.4	32.2	85.4	6.1	38.2	195.3
	1973	32.4	39.8	105.7	8.4	54.4	240.7
	1974 ³	34.5	58.2	157.5	7.5	59.3	317.0
	1975 ³	38.0	79.0	160.1	6.8	54.1	338.0
	1976 ³	46.8	80.8	224.9	9.3	67.4	429.2
North West	1972	35.2	117.4	61.3	24.6	53.9	292.4
	1973	48.4	61.9	91.6	51.6	68.3	321.7
	1974 ³	68.1	93.6	113.7	76.5	76.8	428.7
	1975 ³	60.5	119.9	128.2	73.4	79.2	461.2
	1976 ³	66.0	161.8	154.0	53.7	75.3	510.8
England	1972	223.5	490.0	444.3	105.5	306.7	1 570.0
	1973	279.3	386.8	569.9	172.5	403.1	1 811.4
	1974 ³	372.4	666.2	869.2	227.0	494.8	2 629.5
	1975 ³	339.7	987.4	950.0	204.5	463.9	2 945.7
	1976 ³	416.0	1 071.3	1 052.0	185.9	538.6	3 263.8
Wales	1972	6.4	131.9	27.2	4.5	13.6	183.7
	1973	7.4	104.9	28.5	9.0	18.8	163.7
	1974 ³	8.5	100.9	40.3	10.5	27.6	187.8
	1975 ³	16.4	171.3	37.1	10.2	17.2	252.2
	1976 ³	19.2	224.7	47.9	7.9	20.4	320.0
Scotland	1972	40.3	47.2	41.0	11.3	34.7	174.5
	1973	56.1	49.6	63.2	19.4	41.4	229.3
	1974 ³	71.7	82.4	77.4	24.9	53.8	310.2
	1975 ³	95.9	146.0	86.9	23.7	67.4	419.7
	1976 ³	71.4	121.0	112.6	22.2	50.4	377.5
Northern Ireland	1972	8.9	1.0	9.2	19.4	10.7	40.1
	1973	15.4	1.9	15.1	31.2	8.7	72.3
	1974 ³	16.8	3.8	24.5	28.8	12.7	86.6
	1975 ³	21.9	8.1	25.6	30.0	11.7	97.2
	1976 ³	23.4	8.0	16.7	18.6	16.9	83.6

¹ Net capital expenditure : new building work plus acquisitions less disposals of land and existing buildings, plant and machinery and vehicles. Capital expenditure in respect of establishments where production had not commenced before the end of the year, is included.

² Industry groups : orders or combinations of orders in the Standard Industrial Classification (revised 1968).

³ Provisional estimates : those for 1974 and 1975 were originally published in *Trade and Industry*, 11 March 1977.

D - Civilian labour force projections for regions of the United Kingdom

The UK Department of Employment has recently produced regional labour force projections for 1981, 1986 and 1991, following the earlier publication of revised national projections. The 'civilian labour force' is a broader definition than that of 'workforce', used in the UK Regional Development Programme, and includes employees, employers, self-employed plus those seeking work, whether registered or unregistered unemployed (but excluding HM Forces).

In moving from national to regional projections of the labour force, assumptions have been made about, in particular :

- (i) Activity or participation rates. It has been observed that regional disparities in activity rates, especially female activity rates, have been declining in the UK, with a faster increase in those regions, such as Wales, where the rate has over a long period been relatively low. This tendency is assumed to continue.
- (ii) Migration. The home population projections incorporate assumptions about net migration flows between regions and overseas which, broadly speaking, imply a continuation of trends in the recent past, modified as necessary to allow for known policy changes, for example, in the rate of build up of New Towns.

The attached extract from the Department of Employment Gazette gives a detailed description of the methods adopted, and shows the projections themselves which suggest there will be a continuing steady increase in the civilian labour force in all regions of Great Britain over the period to 1991.

Regional civilian labour force projections

At the national level the civilian labour force, like the total labour force, is increasing and is expected

to continue to increase steadily in the future. A large part of this increase has been and will be brought about by increases in the population of working age; in particular, children born during the high birth-rate years of the late 1950s and early 1960s will be reaching working age in the next few years at a time when the numbers reaching normal retirement age are lower than usual being those born in the low birth rate years of the First World War.

Interesting changes are occurring in the pattern of economic activity rates in the regions too (see Charts 1 and 2). For females, there are striking disparities between regions in the levels of activity rates and in the rates at which they are changing. Although activity is increasing in every region, by far the most rapid increase is shown in Wales, where activity rates have traditionally been very low. Rates of increase have been much slower in regions with traditionally high activity such as the South East and the North West of England. For the projections, it is assumed that the tendency of activity rates to move closer to the national average will continue. For males; the differences between regions are much less marked and these differences are projected to remain almost the same as at present.

Projections of the national labour force were published in the June, 1977 issue of the *Employment Gazette* and additional information prepared on the same basis appeared in the April, 1978 issue. By applying projected economic activity rates to population projections supplied by the Government Actuary's Department forward estimates of the labour force were made. The 'labour force' includes employees, employers, the self-employed and HM Forces; those seeking work, both those registered as unemployed and the so-called 'unregistered unemployed'; and those wishing to work, but prevented from seeking work through temporary sickness. All students in full-time education are

jections took account of trends in the proportion of people who are working or looking for work (the activity rate) based on information from Censuses of Population, the 1975 EEC Labour Force Survey and the Annual Census of Employment and other sources.

The projections presented now follow on that work and are of the civilian labour force for each of the standard planning regions of Great Britain (see Table 1). The armed forces are excluded because their uneven distribution could distort activity rates in regions where they are heavily concentrated. In addition overseas postings and movements within this country could introduce instability in activity rates over time.

Sources and methods

Estimates of the civilian labour force and activity rates are taken from the 1961, 1966 and 1971 Censuses of Population and from the 1975 EEC Labour Force Survey. Census data have been re-analysed to provide estimates of the home population and the civilian labour force for the new administrative areas which came into effect in April, 1974. It should be noted that this re-analysis involves a degree of approximation.

For 1975, regional activity rates based on the EEC Labour Force Survey results were used in combination with estimates of the home population, prepared by the Registrars-General of England and Wales and Scotland, to produce civilian labour force estimates compatible in definition with Census of Population data. Certain adjustments were necessary to achieve this compatibility. In particular, because the Labour Force Survey covered private households only, estimates of the population and labour force resident in hotels, hostels, hospitals and so on were added using detailed information from the 1971 Census of Population. This information was not available at the time the national projections were prepared for which Department of Employment estimates were used. There is a small difference, therefore, between the Great Britain estimates presented here and those published earlier. It has not been possible to construct estimates for each year after 1971, as presented at national level, for the regions. Estimates, at the regional level, are not available for some of the components of the labour force. The method used for these projections was described in the March, 1972, issue of the *Gazette*.

Revised projections using the same methods were published in the December, 1975 issue.

Projections of activity rates for each region were based on historical trends in the relationship over the period 1961-1975 between activity rates in the region and national rates (the regional relativities). The trends in these relativities were projected forwards to 1986 and then held constant to 1991. Activity rates for the Great Britain *civilian* labour force were derived from the national projections of the total labour force published in June, 1977 and April, 1978. The resulting estimates and projections of regional activity rates and relativities are shown in Table 2.

For the projections of the civilian labour force, projected activity rates for each region were applied to the 1975 based projection of the home population provided by the Office of Population Censuses and Surveys (see Table 3).

The projections are intended to give a broad indication of possible future trends. Considerable uncertainty surrounds the projected activity rates, particularly those for women, and in addition, the projections of the labour force will be subject to uncertainties about future patterns of inter-regional migration affecting the population projections. Year-to-year fluctuations about the trends may also be expected.

The activity rates projected were those relating to the population aged 16 and over. They therefore combine the effects of both changes in age-specific activity rates and changes in the age structure of the population. A study of the effect of using all-age activity rates rather than age-specific rates showed that estimates of the aggregate labour force were not significantly affected. However, this should be borne in mind in interpreting the projections, particularly those for regions, such as East Anglia, in which the age-structure of the population has changed considerably, relative to Great Britain, in recent years.

Changes in the age-structure of the population account for the fact that male activity rates are expected to rise in aggregate when age-specific rates are constant or declining slowly.

Chart 1 – Civilian labour force activity rates : females

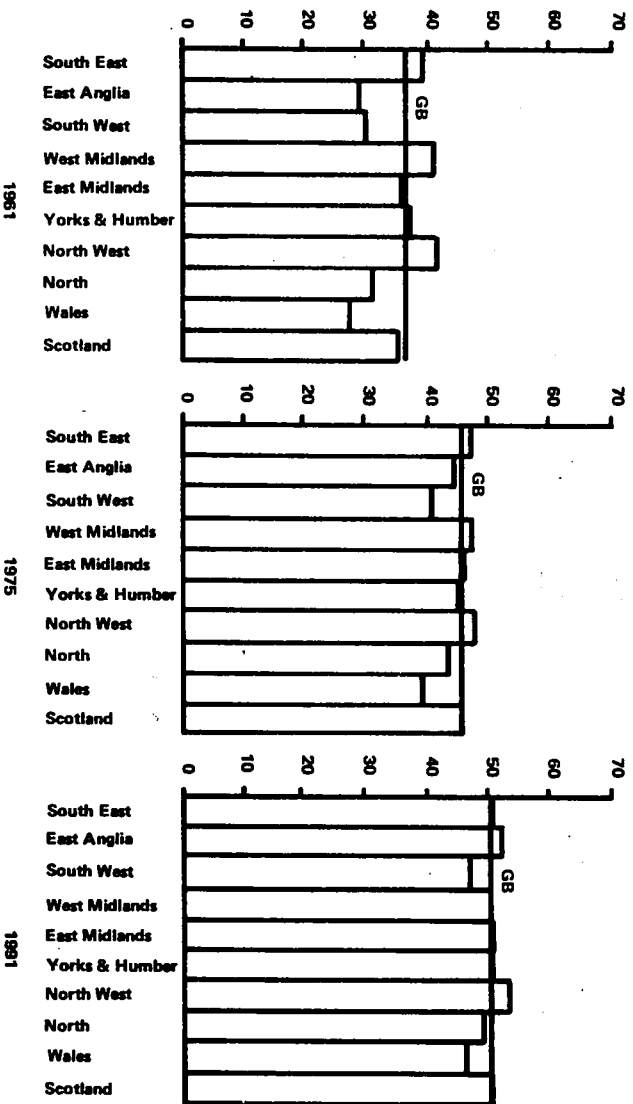


Chart 2 – Civilian labour force activity rates : males

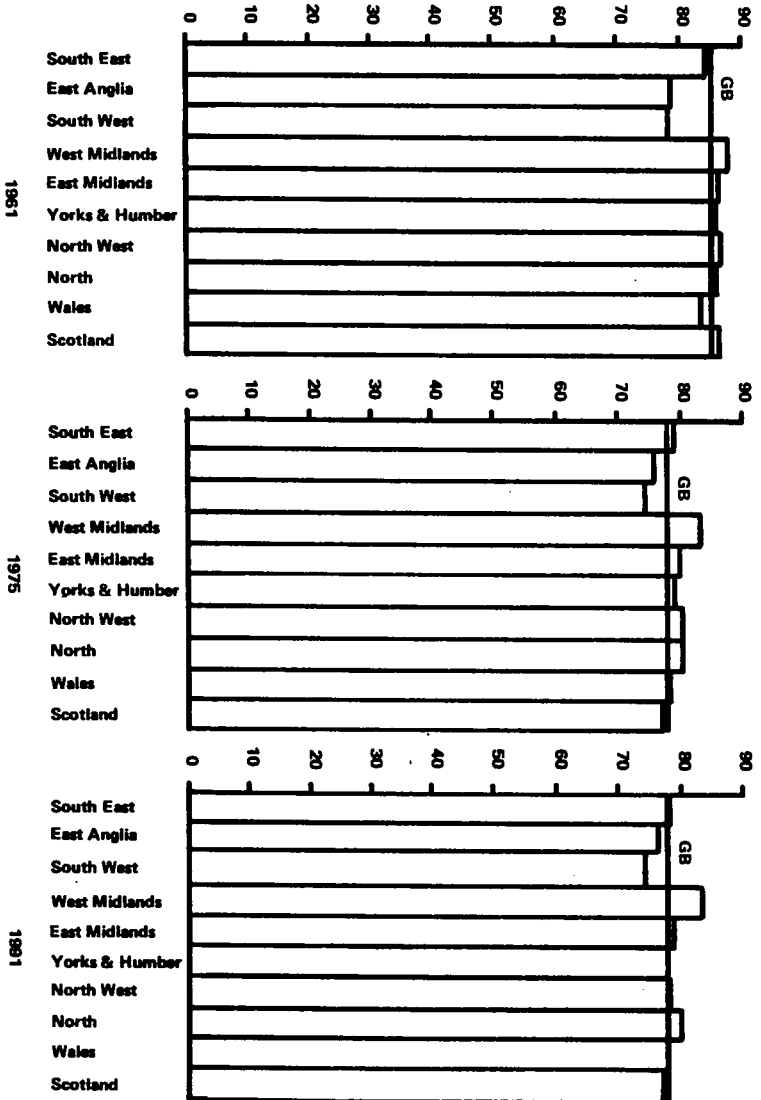


TABLE 1
Civilian labour force aged 16 and over ¹
Great Britain and regions

(Thousands)

All persons	1961	1966	1971	1975	1981	1986	1991
					PROJECTED		
South East	7 411	7 916	8 028	8 074	8 238	8 455	8 553
East Anglia	595	668	722	808	913	1 009	1 074
South West	1 496	1 650	1 726	1 842	1 997	2 142	2 227
West Midlands	2 278	2 417	2 431	2 509	2 606	2 708	2 759
East Midlands	1 559	1 641	1 669	1 747	1 860	1 968	2 030
Yorks & Humberside	2 112	2 182	2 184	2 273	2 358	2 442	2 478
North West	3 030	3 078	3 046	3 113	3 196	3 284	3 311
North	1 320	1 374	1 388	1 435	1 499	1 556	1 570
Wales	1 084	1 125	1 153	1 218	1 293	1 367	1 397
Scotland	2 232	2 289	2 304	2 366	2 448	2 529	2 555
Great Britain	23 117	24 340	24 651	25 385	26 408	27 460	27 954

¹ See footnotes to table 3.

TABLE 2
Civilian labour force activity rates
Great Britain and regions

(in %)

	1961	1966	1971	1975	1981	1986	1991
<i>Males</i>					PROJECTED		
South East	84.7 (0.995)	84.1 (1.004)	81.7 (1.005)	79.5 (0.998)	77.9 (0.998)	78.1 (0.998)	78.6 (0.998)
East Anglia	78.9 (0.927)	79.7 (0.952)	77.0 (0.948)	76.1 (0.956)	75.3 (0.964)	75.9 (0.970)	76.4 (0.970)
South West	78.7 (0.925)	78.6 (0.939)	75.9 (0.934)	74.7 (0.938)	73.7 (0.944)	74.2 (0.948)	74.6 (0.918)
West Midlands	87.9 (1.033)	87.2 (1.041)	84.7 (1.042)	83.7 (1.051)	82.9 (1.062)	83.6 (1.068)	84.1 (1.008)
East Midlands	86.2 (1.013)	84.8 (1.013)	82.0 (1.010)	80.3 (1.008)	78.6 (1.007)	78.7 (1.006)	79.2 (1.006)
Yorks & Humberside	86.0 (1.011)	84.1 (1.005)	81.2 (0.999)	79.7 (1.001)	78.1 (1.000)	78.2 (1.000)	78.7 (1.000)
North West	86.8 (1.021)	84.7 (1.011)	82.5 (1.016)	80.6 (1.013)	78.5 (1.006)	78.4 (1.002)	78.9 (1.002)
North	86.0 (1.011)	83.1 (0.992)	81.1 (0.998)	80.6 (1.012)	79.6 (1.020)	80.1 (1.024)	80.6 (1.024)
Wales	83.6 (0.983)	81.1 (0.968)	78.8 (0.976)	76.7 (0.988)	77.8 (0.996)	78.2 (1.000)	78.7 (1.000)
Scotland	86.5 (1.017)	83.9 (1.002)	81.3 (1.001)	79.5 (0.999)	77.8 (0.996)	77.8 (0.994)	78.3 (0.994)
Great Britain	85.1 (1.000)	83.8 (1.000)	81.2 (1.000)	79.6 (1.000)	78.1 (1.000)	78.2 (1.000)	78.7 (1.000)
<i>Females</i>							
South East	39.4 (1.061)	44.7 (1.058)	45.2 (1.053)	47.2 (1.030)	48.7 (1.017)	50.1 (1.006)	50.9 (1.006)
East Anglia	29.5 (0.796)	36.8 (0.870)	38.7 (0.901)	44.5 (0.972)	48.4 (1.010)	51.8 (1.040)	52.6 (1.040)
South West	30.3 (0.817)	36.9 (0.874)	37.6 (0.875)	40.8 (0.890)	43.7 (0.911)	46.3 (0.930)	47.0 (0.930)
West Midlands	41.3 (1.112)	45.8 (1.084)	45.6 (1.062)	47.8 (1.043)	48.7 (1.016)	49.8 (1.000)	50.6 (1.000)
East Midlands	36.6 (0.987)	42.0 (0.994)	43.0 (1.001)	46.0 (1.003)	48.2 (1.006)	50.2 (1.008)	51.0 (1.008)
Yorks & Humberside	37.4 (1.006)	41.3 (0.977)	41.8 (0.973)	45.7 (0.997)	48.2 (1.006)	50.1 (1.006)	50.9 (1.006)
North West	41.9 (1.129)	45.0 (1.064)	44.8 (1.042)	48.0 (1.048)	50.5 (1.054)	52.5 (1.054)	53.3 (1.054)
North	31.4 (0.846)	38.3 (0.906)	40.4 (0.941)	43.6 (0.952)	46.2 (0.964)	48.5 (0.974)	49.3 (0.974)
Wales	27.5 (0.742)	33.4 (0.792)	35.9 (0.835)	39.8 (0.868)	43.3 (0.904)	46.0 (0.924)	46.7 (0.924)
Scotland	35.4 (0.954)	41.2 (0.975)	42.6 (0.993)	45.8 (1.000)	48.0 (1.002)	49.9 (1.002)	50.7 (1.002)
Great Britain	37.1 (1.000)	42.2 (1.000)	43.0 (1.000)	45.8 (1.000)	47.9 (1.000)	49.8 (1.000)	50.6 (1.000)

Figures in brackets show ratios of regional rates to national rates. Regional ratios to 3 decimal places were used for accuracy in intermediate calculation, and are given in case readers wish to use them. The projections do not have this degree of precision.

TABLE 3.
Home population and civilian labour force aged 16 and over ¹
Great Britain ² and regions

(Thousands)

	1961 ³		1966		1971		1975		1981		1986		1991	
	Home population	Civilian labour force	Home population	Civilian labour force	Home population	Civilian labour force	Home population ⁴	Civilian labour force	Home population	Civilian labour force ⁵	Home population	Civilian labour force	Home population	Civilian labour force
<i>Males</i>	PROJECTED													
South East	5 729	4 849	5 896	4 958	6 079	4 965	6 131	4 873	6 284	4 890	6 396	4 984	6 423	5 037
East Anglia	541	427	561	447	611	471	656	500	726	545	778	589	821	626
South West	1 324	1 042	1 370	1 077	1 459	1 107	1 536	1 147	1 644	1 210	1 722	1 275	1 777	1 324
West Midlands	1 736	1 525	1 789	1 559	1 833	1 552	1 877	1 571	1 953	1 617	2 004	1 671	2 022	1 697
East Midlands	1 247	1 074	1 267	1 075	1 308	1 073	1 357	1 089	1 440	1 130	1 501	1 179	1 537	1 215
Yorks & Humberside	1 663	1 430	1 687	1 420	1 722	1 398	1 758	1 401	1 815	1 415	1 853	1 447	1 866	1 466
North West	2 251	1 955	2 273	1 925	2 298	1 896	2 325	1 874	2 389	1 874	2 430	1 901	2 436	1 918
North	1 101	947	1 101	915	1 109	900	1 124	906	1 160	923	1 181	944	1 181	950
Wales	956	800	957	776	976	769	995	783	1 033	802	1 066	832	1 078	847
Scotland	1 759	1 521	1 748	1 467	1 777	1 445	1 802	1 433	1 863	1 447	1 901	1 475	1 906	1 488
Great Britain	18 307	15 570	18 649	15 618	19 172	15 574	19 560	15 576	20 307	15 853	20 833	16 297	21 048	16 568
<i>Females</i>	PROJECTED													
South East	6 501	2 562	6 623	2 958	6 774	3 063	6 783	3 201	6 871	3 348	6 929	3 471	6 910	3 516
East Anglia	569	168	600	221	647	251	691	308	761	368	812	420	851	448
South West	1 497	454	1 552	573	1 647	619	1 705	695	1 802	787	1 873	867	1 919	903
West Midlands	1 824	753	1 875	858	1 926	879	1 964	938	2 033	989	2 082	1 037	2 099	1 062
East Midlands	1 324	485	1 347	566	1 386	596	1 432	658	1 513	730	1 573	789	1 598	815
Yorks & Humberside	1 826	682	1 846	762	1 880	786	1 909	872	1 956	943	1 986	995	1 990	1 012
North West	2 565	1 075	2 566	1 153	2 571	1 150	2 581	1 239	2 619	1 322	2 634	1 383	2 611	1 393
North	1 187	373	1 199	459	1 207	488	1 214	529	1 246	576	1 262	612	1 258	620
Wales	1 032	284	1 044	349	1 070	384	1 093	435	1 134	491	1 162	535	1 177	550
Scotland	2 006	711	1 996	892	2 014	859	2 036	933	2 086	1 001	2 111	1 054	2 104	1 087
Great Britain	20 330	7 546	20 648	8 720	21 122	9 073	21 407	9 809	22 018	10 555	22 423	11 163	22 518	11 386

¹ The civilian labour force also included economically active 15 year-olds before the raising of the school-leaving age in 1973.

² Forward estimates of the civilian labour force for Great Britain were derived by subtracting projections of the strengths of H.M. Forces from total labour force projections published earlier. H.M. Forces projections are based primarily on past trends, but took account of published intentions contained in the defence estimates 1978, and in a press release in August, 1978.

³ Home population and civilian labour force in 1961, 1966 and 1971 relate to the regions as defined after April 1, 1974.

⁴ Home population estimates for 1975 are provisional estimates of Registrars-General. The home population projections, for later years are those prepared by the Office of Population Censuses and Surveys, based on 1975 mid-year estimates.

⁵ The civilian force projections include a small constraining adjustment so that they add to Great Britain totals.

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² In preparation.

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Regional development programme United Kingdom 1978-1980

Luxembourg : Office for Official Publications of the European Communities

1978 - 126 pp. - 17.6 x 25.0 cm

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