

4796



# PROGRAMME FOR ECONOMIC EXPANSION

*Laid by the Government before each House of  
the Oireachtas, November, 1958.*



DUBLIN:  
PUBLISHED BY THE STATIONERY OFFICE.

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PROGRAMME FOR  
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ECONOMIC EXPANSION

of the Director, November 1955

1955-56



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Issued by the Government before each issue  
of the Observer, November, 1948

DEPARTMENT OF THE TREASURY OFFICE

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# CONTENTS

PART I. INTRODUCTION	...	...	...	...	...	7
PART II. AGRICULTURE	...	...	...	...	...	11
IMPROVEMENT OF GRASSLANDS	...	...	...	...	...	12
BEEF AND MUTTON	...	...	...	...	...	15
DAIRYING	...	...	...	...	...	17
PIGS AND PIG MEAT	...	...	...	...	...	18
FEEDING BARLEY	...	...	...	...	...	19
POULTRY AND EGGS	...	...	...	...	...	21
TILLAGE CROPS	...	...	...	...	...	22
EDUCATION AND ADVISORY SERVICES	...	...	...	...	...	23
ECONOMIC ASPECTS	...	...	...	...	...	24
BOVINE TUBERCULOSIS	...	...	...	...	...	26
STATE AID	...	...	...	...	...	26
CONCLUSIONS	...	...	...	...	...	26
PART III. FISHERIES	...	...	...	...	...	28
SEA FISHERIES	...	...	...	...	...	28
INLAND FISHERIES AND SEA ANGLING	...	...	...	...	...	30
MARINE PRODUCTS	...	...	...	...	...	31
PART IV. FORESTRY AND FOREST PRODUCTS	...	...	...	...	...	32
STATE AFFORESTATION	...	...	...	...	...	32
PRIVATE FORESTRY	...	...	...	...	...	33
FOREST INDUSTRIES	...	...	...	...	...	33
FINANCIAL REQUIREMENTS	...	...	...	...	...	33
PART V. INDUSTRY	...	...	...	...	...	34
FOREIGN PARTICIPATION	...	...	...	...	...	36
STATE FACILITIES FOR INDUSTRY	...	...	...	...	...	37
STATE PARTICIPATION IN INDUSTRY	...	...	...	...	...	40
MINING	...	...	...	...	...	44
TOURISM	...	...	...	...	...	45
RESTRICTIVE PRACTICES	...	...	...	...	...	46
REAPPRAISAL OF POLICIES	...	...	...	...	...	46
PART VI. CAPITAL COST AND AVAILABLE RESOURCES	...	...	...	...	...	47
COST OF PROPOSALS	...	...	...	...	...	47
RESOURCES	...	...	...	...	...	47
EFFECT OF PROPOSALS	...	...	...	...	...	48

# CONTENTS

PART I. INTRODUCTION	1
PART II. ALLEGATIONS	11
Importance of the Allegations	11
The Allegations	12
The Allegations	13
The Allegations	14
The Allegations	15
The Allegations	16
The Allegations	17
The Allegations	18
The Allegations	19
The Allegations	20
The Allegations	21
The Allegations	22
The Allegations	23
The Allegations	24
The Allegations	25
The Allegations	26
The Allegations	27
The Allegations	28
The Allegations	29
The Allegations	30
PART III. FINDINGS	31
The Findings	31
The Findings	32
The Findings	33
The Findings	34
PART IV. CONCLUSIONS AND RECOMMENDATIONS	35
The Conclusions	35
The Conclusions	36
The Conclusions	37
The Conclusions	38
The Conclusions	39
PART V. APPENDICES	40
Appendix A	40
Appendix B	41
Appendix C	42
Appendix D	43
Appendix E	44
Appendix F	45
Appendix G	46
Appendix H	47
Appendix I	48
Appendix J	49
Appendix K	50
Appendix L	51
Appendix M	52
Appendix N	53
Appendix O	54
Appendix P	55
Appendix Q	56
Appendix R	57
Appendix S	58
Appendix T	59
Appendix U	60
Appendix V	61
Appendix W	62
Appendix X	63
Appendix Y	64
Appendix Z	65
PART VI. FINAL STATE AND AVAILABLE	66
The Final State	66
The Final State	67
The Final State	68
The Final State	69
The Final State	70
The Final State	71
The Final State	72
The Final State	73
The Final State	74
The Final State	75
The Final State	76
The Final State	77
The Final State	78
The Final State	79
The Final State	80
The Final State	81
The Final State	82
The Final State	83
The Final State	84
The Final State	85
The Final State	86
The Final State	87
The Final State	88
The Final State	89
The Final State	90
The Final State	91
The Final State	92
The Final State	93
The Final State	94
The Final State	95
The Final State	96
The Final State	97
The Final State	98
The Final State	99
The Final State	100



## PART I. INTRODUCTION

1. The programme of economic development contained in this White Paper has been prepared in the conviction that the years immediately ahead will be decisive for Ireland's economic future. Several factors, some outside our immediate power to influence, have helped to bring about this situation.

2. The establishment of a Free Trade Area in Europe will, whether we join or not, and irrespective of the conditions on which we become a member, call for a special effort on our part if output and living standards are not to lag behind those of neighbouring countries. Apart from this, the difficulties associated with a restricted home market will become more serious if the population fails to rise. Production has not been increasing fast enough to provide employment and acceptable living standards for growing numbers of our people; large-scale emigration has been accompanied by a high level of unemployment. Emigration will not be checked nor will unemployment be permanently reduced until the rate of increase in national output is greatly accelerated.

3. On the basis of *existing* policies, the capital programme of public authorities will fall in the coming years, mainly because social needs, such as houses and hospitals, will soon be overtaken in most of the country. It is an urgent necessity to make sure not merely that there will be no consequential drop in employment but also that our available resources of labour, land and capital, including those released from social investment, will be employed as fully as possible in promoting sound national development.

4. The first essential is to redefine the objectives of economic policy in the light of present-day and probable future conditions. This can best be done in the form of a realistic and systematic programme of economic development covering a period of, say, five years. The publication of such a programme will, it is hoped, help towards the achievement of maximum progress by stimulating public interest and support, ensuring coordination of effort and limiting the scope for misunderstanding and inconsistency.

5. In a country in which private enterprise predominates and which is so exposed to fluctuations in external trade, there would be little point in drawing up a detailed plan based on predetermined produc-



tion "targets". The programme should be read as an *outline* of the more important contributions, direct and indirect, which the Government propose to make to economic development in the years immediately ahead. The programme is a flexible one, capable of modification to meet changing circumstances or unforeseen needs.

6. Except to the extent to which it may be State-financed, the vital contribution which the private sector can make to economic progress is not expressly dealt with. The programme is, however, based on the principle that, in the future as in the past, the private sector will be the principal source of new productive projects. It is hoped that the publication of the programme will act as a stimulus to industrialists in the formulation of new projects and will be of assistance to them in the preparation of their production plans.

7. There is general agreement that productive capital expenditure—productive in the sense of yielding an adequate return to the community in competitive goods and services—must receive a greater priority than at present in the public capital programme. It is on this fundamental principle that the present programme of economic development is based. The social capital investment of past years has given us an "infrastructure" of housing, hospitals, communications, etc., which is equal (in some respects, perhaps, superior) to that of comparable countries. What is now required is a greater emphasis on productive expenditure which, by increasing national output—particularly of goods capable of meeting competition in export markets—will enable full advantage to be taken of that infrastructure and in due course make possible and, indeed, necessitate its further extension. The expected decline in social capital expenditure in the coming years will afford an opportunity—and underlines the necessity—of switching resources to productive purposes.

8. As capital is scarce, it is desirable both to conserve existing capital assets and to obtain the utmost value for new outlay. With full regard to the need to avoid hardship to existing tenants, rent controls will gradually be relaxed so as to encourage the greater and more economical use of the existing stock of houses; as a first step, it is proposed to remove control from owner-occupied houses and houses newly-converted into self-contained flats. Attention will be given to the coordination of building programmes of State and semi-State organisations. Policy generally will be directed towards economy in the use of capital.

9. Our problems will not be solved merely by additional productive capital outlay, whether public or private. While capital is a condition precedent to, it is not a condition sufficient for, economic progress.



More is required—the adoption of improved methods and techniques, the loosening of restrictive practices, the raising of the general level of technical education, the stimulation of new ideas, etc. No programme of economic development will be successful unless the people have the will to work and are prepared to accept the living standards to which their efforts entitle them. This means, in particular, that wage standards must be realistic, having regard to the level of productivity in this country and the need for ensuring competitive costs per unit of output.

10. The capital we need for productive development must come mainly from our current savings, supplemented by voluntary repatriation of past savings, by foreign investment here and, within due limits, by borrowing from international lending agencies. The facilities provided by the banks, financial institutions and the stock exchanges are of great importance in securing that capital is placed at the disposal of productive enterprise. It is, therefore, the Government's desire that these facilities will continue to be improved so as to promote industrial and agricultural development. Specific reference is made in the programme to the credit requirements of agriculture and industry. It will be the concern of the Government to make sure that capital for productive development is available as cheaply as possible. Saving will be encouraged and any tendency for consumer spending to cause an external payments deficit, and thus reduce the availability of capital for development needs, will be checked. Subject to this, financial policy will favour the application of all available resources to productive home purposes, not to the accumulation of further external reserves or investments. In this connection, the Government welcome the recent steps taken by the commercial banks to make available finance for the long-term capital requirements of industry and to meet the growing needs of agriculture. They also view with approval the trend towards a more active exercise of its functions by the Central Bank.

11. Fiscal policy also will be guided primarily by the need to encourage production and saving. In particular, the Government's aim is to create conditions permitting as soon as possible of a reduction in direct taxation. This would be a tonic to the economy, a stimulus to personal and corporate saving and an encouragement both to native and foreign enterprise to undertake new projects. High taxation is necessitated by high expenditure and can be reduced only if expenditure is reduced, or if taxable incomes are raised by increased production and the cost of current services is at the same time held rigidly in check. As well as encouraging increased production, the Government will strive to reduce the effective burden of taxation by moderating the growth in net debt service charges, by achieving the



maximum efficiency in administration, by relating further improvements in the social services to increases in real national income and by reducing subsidies to the minimum necessary to secure a permanent increase in economic production.

12. The programme proposed for each of the major fields of development is outlined in Parts II to V of this Paper. In Part VI the cost is estimated in relation to the financial resources likely to be available and an indication is given of the economic benefits which may reasonably be expected if the programme is realised.



## PART II. AGRICULTURE

13. Of total agricultural output, approximately one-third is consumed on the farms where it is produced, one-third is sold off farms for consumption within the country and the remaining one-third is exported. There is little scope for increased home consumption of farm produce; the average standard of nutrition in Ireland is high and the population is not rising. Increased agricultural production will for the most part be for sale abroad. It must, therefore, be competitive, which for many products means that costs must be reduced per unit of output. The test of agricultural policy, therefore, is whether in the long run it enables output to be increased at costs which make exports profitable without subsidisation. On this depends not only the possibility of a higher income for the agricultural community but the future development of the whole economy.

14. It would no doubt be technically possible to expand agricultural production further by increasing and extending price supports. Apart, however, from the fact that some of the countries to which we sell our products object to export subsidies as tending to create difficulties in their own markets, the higher taxation necessary to finance these subsidies would be damaging to production and enterprise in every sector of the economy. There are, of course, special economic problems in agriculture due to such factors as the greater inelasticity of demand for food than for industrial products and the extreme fluctuations to which the prices of some agricultural products are subject. Measures to maintain some degree of stability in the returns to producers are equitable and justified; if they were not taken, the atmosphere of confidence necessary for a long-term programme of increased production would be lacking. The policy underlying such assistance must necessarily take full account of market trends if it is not to come to grief. Moreover, since additional production will be mainly for export, it is necessary that State assistance should concentrate less on price supports and guarantees than on measures designed to bring about increased agricultural productivity (i.e., lower production costs per unit of output). It is only in this way that increased agricultural production and incomes can be achieved on a sound and permanent basis.

15. The main objective of agricultural policy in the years to come is not only to maintain but to intensify the welcome upward trend in agricultural output which has been evident in recent years and to



do so on a sound economic, and therefore lasting, basis. Policy can conveniently be considered under the following main heads:

- (1) Improvement of grasslands (including beef and mutton production)
- (2) Dairying
- (3) Pigs and bacon
- (4) Poultry and Eggs
- (5) Tillage
- (6) Agricultural Education
- (7) Economic aspects: credit, trade, marketing.

16. This White Paper does not purport to deal with all sectors of the agricultural economy; as indicated above, it considers general policy under certain main heads. There are various specialised sectors not referred to specifically (e.g. the bloodstock industry) which already are, or are capable of, making a valuable contribution to the general economy. The importance of these is in no way being overlooked.

#### IMPROVEMENT OF GRASSLANDS

17. By far the greatest proportion of our agricultural land has always been and will continue to be under grass. At present, 15 per cent. of our agricultural land is tilled, while 85 per cent. is under grass. Variations will, of course, occur in these percentages in the future but it is highly unlikely that, even in times of emergency, more than about 20 to 25 per cent. of our total land will be tilled. Climatic and market influences combine to make grass the most important feature of Irish agriculture, and future agricultural expansion will depend mainly on a dynamic policy of grassland development. Grass is the raw material of our principal export trade, beef and cattle, of milk production and of sheep and lamb production. While the outlook for milk products in export markets is uncertain, there is fortunately little doubt that, apart from a severe world depression, there will be a continuing demand for meat. We are singularly well situated to take advantage of this prospect. Our farmers have a great livestock tradition and we have a large area of grassland whose potential is as yet only partly realised. Proper development of grasslands would bring about a very large increase in their carrying capacity in a comparatively short space of time. Increased carrying capacity is not, of course, an end in itself; we will have to ensure that it is utilised by increasing the number of livestock.

18. While there are many factors involved in successful grassland management (soil fertility, nature of herbage, quality of seeds, standard of management, etc.) the first and basic essential is the presence in the soil of a satisfactory level of lime and nutrients, mainly



phosphorus, potassium and nitrogen, to ensure satisfactory sward development. Phosphorus is the key nutrient. The liming programme followed in recent years has made considerable progress, with the result that we are now one of the largest users of lime per acre in Europe, but this is not to say that we are near our optimum use of lime (we have not yet made good the arrears due to under-liming in the past). The progress made, however, has been such that we can at this stage undertake with confidence an effective policy of increased use of phosphates on grassland, while aiming of course at a further increase in liming. After phosphates, potash comes next in importance and, finally, nitrogen fertiliser to extend the grazing season at both ends.

19. Our rate of use of phosphate fertiliser is far below the average for Western Europe. It is considerably less than half the rate of consumption in Britain, where climate and physical conditions closely resemble ours. The phosphate status of only about 10 per cent. of our soils can be regarded as reasonably satisfactory. There is, therefore, from the *technical* aspect, enormous scope for increased use of phosphates but, it may be asked, will it be *economic* to increase the use of phosphates to this extent? Will the prices received for increased production in competitive export markets make worth while the additional expenditure involved in purchase of increased quantities of phosphate fertilisers? A positive answer can confidently be given to this question.

20. Not only is phosphorus of itself an essential nutrient but it has highly important secondary effects. By stimulating the growth of clovers it adds nitrogen to the soil (and clovers are by far the cheapest source of nitrogen) and improves both the yield and protein content of grass. There is the added fact that as phosphorus is a highly important element in the nutrition of livestock, satisfactory quantities must be present in herbage to meet the needs of growing stock and especially to ensure the earlier maturing of cattle for beef. Experiments at Johnstown Castle have proved conclusively that, by following a programme of improved clover growth through the proper application of phosphorus and potassium, very striking levels of meat output from pasture can be achieved during the normal growing season, with a consequent substantial increase in the net profit per acre; due to the secondary effect of nitrogen production, this programme can, in addition, lead to a considerable extension of the grazing season.

21. To bring about a rapid expansion in the use of phosphates on grasslands is one of the main objectives of Government policy. It is not proposed to rely only on exhortation and advice. The Government will make available a sum of £1.75 million each year for the next five



years to reduce the price of phosphates and thus encourage farmers to use them more extensively. The price reduction in each of the first three years will be £4 per ton in terms of single superphosphate (8 per cent. phosphorus) with appropriate adjustments for superphosphates of other grades and for other phosphatic fertilisers; the exact amount of the price reduction in the last two years will be reviewed in the light of consumption trends. The annual subsidy of £1.75 million will be in addition to the sum necessary to bring Irish prices down to the level of world prices.

22. The annual cost of the phosphate subsidy will involve a new commitment by the State of £1.5 million in 1959/60 and £1.25 million in subsequent years. The balance of the cost will be met by discontinuing Section B of the Land Project; this is estimated to yield a saving of £0.25 million in 1959/60 and £0.5 million in later years. At present, most of the reclamation work carried out under Section B costs more than £40 an acre—a figure difficult to justify on present returns from farming. It is considered that the expenditure involved could be more productively applied in reducing the price of phosphates to farmers. No further commitments will, therefore, be entered into under Section B, but existing commitments will be discharged in full. Farmers will be free, as before, to have their land reclaimed under Section A of the Project, which will not be affected.

23. Better management of grassland must, of course, go hand in hand with increased use of fertilisers. Grazing techniques developed as a result of modern research should be adopted on a more general scale. There is room for a very great expansion in the use of grass silage for winter feeding; to encourage this the existing silo grants will be increased. The Department of Agriculture and the agricultural advisory services will concentrate on improvement of grassland management as one of their most important functions. An Foras Talúntais will support this by an intensive research programme. Because of the very varied nature of Irish soils, a comprehensive soil survey should accompany a programme of grassland improvement.

24. While phosphorus deficiency is the outstanding grassland problem, soil tests indicate that there is also a shortage of potassium in many soils. A great increase in output could be obtained from grasslands by the use of phosphatic and potassic fertilisers and a further substantial increase by the judicious use of nitrogenous fertilisers, in conjunction with phosphates and potash, for hay and silage and for extending the grazing season. Farmers will be encouraged to adopt a balanced and coordinated fertiliser programme. Government assistance towards this end will, in the first instance, be directed towards encouraging the greater application of phosphorus



which, as the key nutrient, is essential to the improvement of grasslands; when a satisfactory increase in the use of phosphates has been attained, it will be Government policy to apply State aid towards securing increased application of potash and nitrogen fertilisers.

25. That a new approach to grassland improvement is a matter of great urgency will be realised when developments elsewhere are considered. Research in Britain and in other countries into the intensive management of pasture and the nutritional requirements of livestock is yielding results of great interest which, when integrated into their general farming pattern, will set a difficult economic problem for this country. There is, therefore, a vital need, because of our predominantly agricultural economy, at least to keep abreast of these developments which, for us, may have the added advantage of making animal production on small farms a more attractive proposition.

#### BEEF AND MUTTON

26. The increased use of fertiliser on grasslands and better management of grass will enable us not merely to feed better our present livestock numbers but to maintain much larger numbers of stock on a low-cost basis. During the past hundred years the number of milch cows has remained virtually stationary at around 1,200,000. The number of store cattle has increased considerably because of the great improvement in the survival rate of young cattle, but any further substantial increase in cattle numbers can be achieved only by means of an increase in the number of cows. The objective of policy will be to increase cow numbers progressively to at least 1,500,000 by 1964. The retention for breeding of an additional 50,000 heifers per annum would enable this objective to be attained without undue disturbance to the farming economy or to the export trade, though the progress of the Bovine Tuberculosis Eradication Scheme, involving the slaughter of considerable numbers of cows before the end of their normal life, will for a time be a complicating factor. It is important that these additional cows be bred for beef rather than milk production, as beef can be sold abroad competitively, whereas butter, our most important milk product, cannot—a situation which seems likely to continue for some time. A considerable proportion of the additional cows should be outside the main dairying areas. Present market trends, as well as the advance of bovine tuberculosis eradication, are in any event making it necessary for farmers outside these areas to rear increased numbers of calves. Such farmers will at the outset have to overcome some physical and financial difficulties in carrying increased numbers of cows and rearing more calves, but such forms of State aid as the grants for the improvement of cow byres and water supplies, the facilities available for land improvement under Section A of the Land Project, the proposed subsidy on



phosphates and the improved credit arrangements referred to in paragraph 55, will help to resolve these difficulties.

27. As to breeding policy in the country generally, it is difficult to lay down hard and fast rules except that promiscuous and unplanned mixing of breeds could cause serious damage. Subject to this, the primary duty of the State is to provide a sufficient number of the highest quality sires available of the various breeds favoured by farmers in this country: Shorthorn, Friesian, Aberdeen Angus and Hereford, in particular. A comprehensive research and experimental programme will be undertaken to determine the relative merits of various crosses for beef purposes, due account being taken of milk yields. The results of such research and experiments will be published for the information of farmers but there will be no insistence on adhering to particular breeds.

28. There would be no objection on grounds of breeding policy to the introduction of new breeds (e.g. the Charollais) first of all for test and, if the test is successful, for general use, but there is a veterinary difficulty. Our export trade in cattle and beef depends to a large extent on the fact that the country has been kept free for so many years from the major epizootic diseases and it must be a major objective of policy to maintain this position. In view of the very large export trade in cattle to Britain, coordination of the policies of both countries in regard to the import of breeding stock from the Continent and elsewhere is clearly desirable. Subject to this practical proviso, breeding policy will permit and indeed encourage the use of all suitable breeds, in particular those which have a contribution to make to our export trade.

29. The development of the export trade in pedigree breeding stock will be encouraged by continuing to lease top-quality stock bulls to breeders, by the promotion, with the cooperation of the pedigree breeders' associations, of special publicity in countries abroad, by the improvement of transport arrangements and by other appropriate means.

30. The number of sheep and lambs has been increasing steadily in recent years; the 1958 figure was the highest recorded since the beginning of the century. Factors conducive to this increased production have been a good export demand, the lower capitalisation involved as compared with beef production, the higher returns per acre obtainable and the opportunity provided of turning to good account increased output from pastures. With the increased supplies available for export, and with markets abroad tending to become more selective, the objective must be to promote lower-cost production and improved breeding and management standards. With greater use of



fertilisers and the better utilisation of hill land—largely neglected in the past—there will be considerable scope for increased low-cost production. Research and experimental work will be conducted in cooperation with An Foras Talúntais so as to enable farmers to determine the most profitable breeding policy to follow in relation to market trends.

31. At present, the plant and equipment available to the meat industry is adequate to handle any likely increase in output but the industry would undoubtedly benefit from research into such problems as marketing and transport and the fuller utilisation of by-products. State aid will be made available to help finance this research.

#### DAIRYING

32. There are serious problems to solve in the dairying industry. Milk yields, though not high by international standards, have been rising steadily in recent years and there has been some increase in the number of dairy cows. At the same time there has been a serious slump in the export market for the main milk product, butter. As a result, the State support of butter export prices—at present two-thirds of the difference between export and home prices—will cost about £2½ million for 1958/59; a subsidy of this magnitude imposes a severe burden on the rest of the country. A grassland improvement programme, while aiming mainly at an increase in meat output, must also have the objective of reducing milk production costs. It is also important to secure that milk available for export will, as far as possible, be diverted from butter to more remunerative outlets.

33. Where a subsidy has to be paid, the benefit to farmers from increased production and exports is, to the extent of the subsidy, achieved only by a transfer from the community at large, of which the farmers themselves are a considerable part. If, according as production increased, unit costs were reduced, enabling milk products to be marketed abroad with gradually declining aid from public funds, the improvement in farmers' incomes would be more soundly based and, ultimately, the whole value of the increased output would accrue as a net national gain. The need for a change in this direction is made more evident by the prospect of an expansion in the breeding herd. An annual increase of 50,000 cows (paragraph 26 above), accompanied by an annual increase in yields even of only 10 gallons per cow, would, at the end of five years, quadruple the amount of milk surplus to home requirements. On the basis of present export prices and subsidy arrangements, this would entail an Exchequer subsidy of some £10 to £12 million per annum. A potential liability of this magnitude cannot be undertaken. Both for economic and



financial reasons, the primary objective of grasslands policy must be to secure an increase in the output of meat rather than of milk, since even on present production costs meat can be sold abroad without State aid. The additional cows which are necessary if beef output is to be increased should, therefore, be of beef rather than dairy strains; associated with this development would be the consumption of more whole milk by calves with a consequent easing of the problem of surplus milk.

34. However much policy may be tilted towards having beef rather than milk products as the marketable surplus, any increase in cow numbers will result in an increase in milk production, and it is urgently necessary that production costs be reduced so as to enable the increase over home needs to be economically exported. The improvement of grasslands will help directly both by reducing feeding costs and by enabling better feeding methods to be introduced. Care will be taken to ensure that the best breeding stock of the main dairying breeds will be available in the dairying areas both at the artificial insemination stations and at the premises of private breeders; this will enable further improvements to be effected in the dairy herd. The scientific investigations necessary for a determination of the comparative merits of the Friesian and Shorthorn breeds will be pressed ahead. Farmers will thus be able to decide for themselves whether to go Friesian or Shorthorn and the State will endeavour for its part to introduce the best sires of both breeds and to improve the existing breeds by progeny testing.

35. Provided progress is being made towards the reduction of production costs and the achievement of export viability, a limited State subsidisation of exports might be justified. Exchequer assistance will be available not only for improvement of the marketing arrangements for butter but also for investigation of the possibilities of increasing exports of cheese, chocolate crumb, cream, milk powder and other milk products. Where market prospects are favourable, capital will be made available, where required, to enable production to be expanded.

#### PIGS AND PIG MEAT

36. A highly efficient and expanding pig and bacon industry could bring great profit to the country, in particular to the small farmers in the North and West where agricultural output has not increased since pre-war. Over a long period, pig production in this country has tended to be more or less static (a sharp but temporary fall occurring during the last war), and the number of pigs in the country has oscillated about one million. Since the war the industry has faced certain difficulties, in particular the tendency towards a glut of pig products in our main export market due both to increased production



in Britain as a result of the high price support policy followed there and also to a big increase in continental supplies compared with pre-war; Irish supplies at present account for only about  $7\frac{1}{2}\%$  of total imports of pig meat into Britain. Nevertheless, it would be pessimistic to assume that these difficulties will continue unabated or that they necessarily prevent the development of an economic export trade to British and other markets. There is no lack of processing capacity for pork and bacon and the bacon factories could easily accommodate 50% more than the present number of pigs handled by them. If such a throughput could be reached, there would be an appreciable reduction in the incidence of overhead costs in the factories which would in itself help to close the present gap between guaranteed and realised prices.

37. In recent years, policy has been based, on the one hand, on the maintenance of a guaranteed minimum price for Grade A pigs and a corresponding export price guarantee for Grade A bacon, and, on the other hand, on the encouragement of the use of home-grown barley for feeding by means of a guaranteed minimum price for the crop. The cost to the taxpayers of the price support for pigs and bacon in the present financial year will not be far short of £1 million. The expansion of the industry would be more soundly based if it were no longer dependent on subsidisation.

38. One of the most important questions is the general suitability of the type of pig used. Until the recent introduction of the Landrace, the Irish Large White was the only breed kept in this country. There is no doubt that in the Irish Large White breed there are strains which will stand comparison with the best pigs of any other breed in any country, but it is also true that within this breed there is a considerable variation of quality. It is, therefore, of the highest importance to identify the best strains in the breed by means of progeny testing and to propagate these strains by means of artificial insemination as well as by ordinary breeding methods. With the establishment of the first pig progeny testing station at Cork, a beginning has already been made with this policy. It is intended to erect another station in the near future. These stations will be used to test not only the Irish Large White breed but also pigs of the Landrace breed, and the results of the tests will be published for the information of farmers throughout the country.

#### FEEDING BARLEY

39. A successful industry must also be based on an abundant and moderately priced supply of feeding stuffs. By growing our own feeding grains, we save foreign exchange and at the same time give domestic grain growers an assured market



for their crop. However, a difficulty has arisen from the fact that most of our feeding barley is and will probably continue for some time to be produced in the South and more than half the crop is marketed for cash. The marketed portion of the crop has to be stored at considerable expense for lengthy periods and transported at substantial cost to other parts of the country. This puts pig producers in the North and West and even in counties like Kerry at a disadvantage; yet it is in these very areas that it is particularly important to increase agricultural output—and pigs would be an important means of achieving such an increase. The present minimum price of barley ex-farm (£18 10s. a ton green or about £22 10s. a ton dried) is not excessive but, to cover the cost of storage and transport charges, the price eventually paid by pig producers in areas remote from the main barley-growing counties may be £28 a ton or more. The fact that the number of pigs in counties such as Monaghan, Cavan, Mayo and Donegal is still less than pre-war, while the number in County Cork is considerably higher than pre-war, must to some extent be due to this factor.

40. It is, therefore, desirable to secure increased local production of feeding barley in the northern and western counties. If a substantial increase were possible in these counties, the difficulties referred to in the preceding paragraph would be much diminished. For a number of reasons, however, it seems likely that a significant increase could be achieved only over a fairly lengthy period. The farms in these areas are generally small, the land is not as suitable as elsewhere for growing good crops of barley, and oats has been the traditional cereal crop. Barley-growing generally in these counties will require the introduction of appropriate manurial and cultural techniques, and, while the adoption of these techniques by farmers will be an important objective of the Department of Agriculture and of the advisory services, progress cannot be rapid in view of the many difficulties.

41. If the pig industry is to expand and prosper, costs of production must, in the long term, be kept below the prices realisable on the export market. It is not easy in practice to reconcile the ideal of an expanding and economic pig industry with a support policy for feeding barley which, however desirable in itself, can have the effect of unduly raising the cost of production of pigs in large areas of the country. Any solution of the problem requires, in the first place, a decision on the question whether pigs or feeding barley are of more importance in the national economy. There can be no doubt about the answer: the end product, the pig, is far more important than the raw material. This does not necessarily mean that there is no justification for a system of minimum prices for barley, but it does mean that any such system must not result in feed prices which prove too



high in relation to the prices obtainable for pigs, since these are largely determined by conditions in export markets. In particular, the price of feed to small farmers throughout the country should be kept down to a reasonable level. Maintenance of any form of price support for feeding barley must, therefore, be conditional on (1) a realistic appraisal of what pig producers throughout the country can afford to pay for pig feed, and (2) keeping the price of pig feed at that level by means of a judicious operation of import controls.

42. While, as mentioned in paragraph 36, the bacon factories have capacity to handle a throughput of pigs well in excess of the present supply, in some instances modernisation in layout and plant may be required. Where this is so, State assistance towards the provision of capital will be made available. To enable the industry to maintain and improve its efficiency, to keep abreast of technical developments and to expand, constant research is necessary. To this end, State assistance will be offered for the establishment of a full-scale research unit which would also investigate problems common to the pig and cattle processing industries.

#### POULTRY AND EGGS

43. Like pig production, poultry production has been carried on for the most part in small farm units. Substantial funds to aid development of the industry were provided some years ago by the British and Irish Governments, and much valuable improvement was accomplished. The industry has, however, suffered a severe setback from the collapse of the export market. This collapse was to a large extent due to the high level of subsidisation of British egg production, which resulted in greatly increased output. The number of ordinary fowl is now about 20% less than it was a few years ago or in pre-war years.

44. Considerable efforts have been made in the past, through early hatchings and cullings of older birds, to encourage greater production of eggs in the autumn and winter, when prices are highest, but poultry keepers generally—no doubt because of the small scale of their individual operations and the depressed state of the export market—have not shown a significant response. A similar lack of success has attended efforts to secure greater egg yields per bird.

45. There are, however, prospects of developing an export trade in broilers (table chickens reared intensively for about ten weeks) and day-old chicks. Broiler production has increased considerably in the U.S.A., and the industry has now spread to Britain and other European countries. Foundation stock of suitable strains of birds for the broiler trade were imported by the Department of



Agriculture some time ago from the U.S.A., subject to veterinary precautions, and the propagation of these birds is now on a scale adequate for building up the trade. A few cooperative societies and individuals have been developing broiler production with the best strains already available and it is hoped to stimulate widespread interest, especially by cooperative societies and the Dairy Disposal Co., Ltd. Broiler production is a specialised business requiring fairly large units supplying central packing premises, since overhead costs must be low to make the price competitive. As in the case of pigs, the cost of suitable feed rations (of which secondary home-grown wheat could form a part) is a vital consideration. Low-cost production is essential if output is to be disposed of profitably on export markets.

46. Side by side with the export of broilers, there is scope for the increased export of day-old chicks to Britain and other countries, particularly Italy.

47. Production of turkeys has not suffered the same setback as that of ordinary fowl despite occasional market gluts. Production is appreciably above the pre-war level and efforts are being made, as in the case of broilers, to expand the market demand by developing improved strains of smaller birds. The Department of Agriculture has imported foundation stock of such strains from the U.S.A. and these are now available to producers generally.

#### TILLAGE CROPS

48. Although the total area under tillage is only a relatively small proportion of the total acreage of agricultural land, it is important that the tillage area be at least maintained. Tillage is essential to the maintenance of a proper rotational system over a considerably greater area of land than is actually tilled every year, and the growing of cash crops such as wheat, malting barley and sugar beet gives farmers the assurance of a sizable cash income.

49. Wheat is one of the most important of our tillage crops and the policy of ensuring that the bulk of our wheat requirements is grown at home will be continued. The system of guaranteed prices for millable wheat will be maintained. It is contemplated that, of the total amount of wheat that is milled into flour, at least 75% will be native wheat, subject to its being of milling standard. At present this would mean a total intake for milling purposes of about 300,000 tons of dried native wheat. Whether more native wheat can be used in future years will depend on such factors as the quality of the crop from one year to another, the results of research into the technical question of how far a consistently satisfactory loaf can be made from



a grist containing a higher proportion of native wheat, and—an economic factor that cannot be ignored—the repercussions on the price of bread to the consumer. It is intended that there will be a full price guarantee for the total quantity of wheat declared from year to year to be the requirement for milling purposes. The production of a substantial surplus over that quantity is in general undesirable. The only outlet for such a surplus would be either the export market or the feed market at home, and in both cases the price received would be very much below the guaranteed price for millable wheat. There are in addition objections to complicating the feed market at home by the injection of a significant surplus of wheat not originally produced for this purpose. If a problem of surplus wheat again arises, the question of continuing the 1958 scheme as it was originally intended to operate, or of dealing with the matter in some other way, for example by introducing a system of contract growing, will be considered in consultation with farmers' organisations.

50. As regards feeding barley, it is desirable in principle that sufficient should be grown to provide the bulk of feed grain requirements, but this must be on the basis that the cost of pig feed is not raised to such a level as to hinder the economic expansion of pig production. This question is fully discussed in paragraphs 39-41.

51. As horticultural crops give a high monetary return per acre and provide a good deal of employment, they are of particular importance in the economy of small farms. Production has expanded in recent years, mainly as a result of measures taken to provide assured markets, the work of the county advisory services and of the Department of Agriculture, and the promotion of cooperative undertakings with State assistance, such as that for onions in County Kerry and the County Waterford apple project. The Government will continue to promote the development of horticulture in every way practicable, particularly where there appear to be export possibilities.

#### EDUCATION AND ADVISORY SERVICES

52. A good system of agricultural education and advisory services backed by adequate research is in the long run the most important factor in the development of agriculture generally. The instilling of a real interest in and respect for rural life in young people must be fostered at all educational levels—in the primary school, the secondary school, the vocational school and the university. Consideration is being given to the more general teaching of nature study in national schools and the special encouragement of agricultural science as a subject in secondary schools. The Departments of Education and Agriculture will consult together with a view to coordinating the work of the rural vocational schools with that of the agricultural



instructors. This will include cooperation between the rural science teacher and the agricultural instructor in the provision of a further two or three years' basic part-time education during the winter months.

53. It is not proposed to make any basic change in the system under which the agricultural advisory services are operated by the County Committees of Agriculture, with the Department of Agriculture as coordinating and supervising agent. The Parish Plan will not be developed further; the Plan could be operated quite successfully if it were adopted as the only or basic advisory system in the country, but to allow two systems to develop, one centrally controlled by the State and the other under the Committees of Agriculture, would inevitably lead in the end to friction and confusion. A choice has to be made between a centralised system or the essentials of the present system, and on the whole it is felt that the present system, subject to certain improvements, should be continued. There is at present need for approximately 100 additional agricultural instructors, and the County Committees concerned will be encouraged to recruit more advisory staff until at least this number has been attained. It is intended that there should be a close liaison between the advisory service and An Foras Talúntais which, as the body concerned with agricultural research generally, will have the function of ensuring that the results of its researches are made available promptly to the advisory workers in the field. It is also desirable that there should be closer links between the County Committees of Agriculture and the local farming organisations; for example, joint sub-committees could with advantage be set up to consider local needs and how best the County Committees' advisory services might be adapted to meet them.

54. It is intended that the agricultural advisory services should in the future give special attention to the economic and financial aspects of farming in their districts, and for this purpose every effort is being made to develop farm management aspects of the advisory officers' work.

#### ECONOMIC ASPECTS: CREDIT, TRADE AND MARKETING

55. Credit has an important contribution to make to increased agricultural production. A substantial increase in our livestock numbers, involving the holding back for breeding of female stock which would otherwise be marketed in a store condition, will put a strain on farmers' immediate cash resources. Such factors as the improvement of land and buildings may create further difficulties, even when allowance is made for the liberal State assistance available. While it would, of course, be foolish for a farmer to run into debt light-heartedly, the tendency in this country has been over-



conservative in relation to the use of credit; it will be necessary to convince farmers of the net financial advantage of borrowing to finance a greater volume of output. As in the case of industry, the Government intend that agricultural development will not be hampered by lack of capital. Proposals are at present under discussion with the Agricultural Credit Corporation to ensure that credit will be available on reasonable terms and without too many formalities for sound projects designed to increase agricultural production. Where credit is given under State auspices, the borrower will be required to avail of the services of the agricultural instructor in planning his farming programme. The various credit schemes operated by the Agricultural Credit Corporation will be simplified and unified, and security conditions capable of being satisfied by the great majority of the farming community will be introduced. In all this the close cooperation of the banks will be sought. Recent developments have shown that the commercial banks are prepared to expand their loan service to meet the growing needs of agriculture; these developments will be given every encouragement. The banks are well equipped to cater for farming needs; they hold the farmers' savings and have immediate contact through their branches with local conditions.

56. This White Paper does not deal with the important and complex problem of the marketing of agricultural products, as this is under examination by an Advisory Committee established in 1957. There is no doubt, however, that the bulk of our agricultural exports will continue to be marketed in Britain, and our trade relations with that country are, therefore, a matter of prime importance. It will be the aim of the Government to foster the further development of these trade relations, which are of a special character deriving from the close economic association of the two countries as expressed in the preferential trading system provided for in the Trade Agreements 1938 and 1948.

57. As regards trade with other European countries, we have a large adverse balance with the O.E.E.C. countries, excluding Britain. Under the provisions of the Rome Treaty, the six countries of the European Economic Community will be bound by a common agricultural policy which, while conducive to the development of agricultural trade between themselves, may not foster a comparable growth in agricultural trade with the remaining O.E.E.C. countries. Our aim will be to secure greater access to continental markets, and to this end we will assist, in conjunction with the proposals for a European Free Trade Area, in the negotiation of a multilateral agreement relating to agricultural trade.



#### ERADICATION OF BOVINE TUBERCULOSIS

58. The eradication of this disease in the shortest possible time is one of the major objectives of agricultural policy. As has already been announced, it is intended that County Sligo should become an accredited area in 1959 and that the other counties west of the Shannon and Counties Donegal, Cavan and Monaghan should become accredited areas before the end of 1960. The necessary measures have been taken for this purpose, including control of movements of stock into the areas in question and the speeding up of the purchase of reactors by the Department of Agriculture.

59. Special attention is also being given to the establishment of the greatest possible number of accredited herds in counties such as Meath, Westmeath and Kildare to which store cattle regularly move from the West for further feeding before export. In this way the accredited cattle from the West will preserve their status when moved into such counties, from which they will eventually be exported as accredited cattle to Britain. In the rest of the country, eradication measures are being developed as speedily as possible. Free testing is now available throughout the country and the Department of Agriculture purchases all cow reactors on liberal terms.

#### STATE AID TO AGRICULTURE

60. State aid to agriculture will amount to over £19 million in the current financial year. The subsidisation of phosphates, which will be financed partly from the *additional* State subvention of £1½ million per annum (£1½ million in 1959/60), and the additional amounts which will be provided in respect of agricultural credit, will bring the total to well over £20 million. The aim of policy will be to direct expenditure to the progressive reduction of production costs and thus enable agricultural produce to be sold abroad on a profitable basis.

#### CONCLUSIONS

61. Put in the briefest possible form the following will be the main objectives of agricultural policy in the future:—

- (1) A steady increase in agricultural output and exports based on increased productivity, which in turn will be fostered mainly by a policy of grassland improvement related to increased use of lime and phosphates in particular and to the introduction of improved methods of management.
- (2) Eradication of bovine tuberculosis in the shortest possible period.
- (3) A considerable further development of agricultural education,



advisory services and research (in association with An Foras Talúntais).

- (4) Improved agricultural marketing and the further development of trade relations with the countries where we market our agricultural products.
- (5) To apply State aid so as to secure expansion of output at lower unit cost, leading to competitive selling prices and, through higher turnover, to an increase in net agricultural incomes. A measure of price support will be maintained for wheat, beet, milk and pigs.

62. It is believed that this is a constructive and realistic programme which if vigorously pursued will lead to a substantial expansion of agricultural output on a sound economic basis and will, therefore, increase the incomes of farmers and of other sections of the community in a much more secure and lasting way than any other method that could be adopted. In the carrying out of this programme there will be the fullest cooperation with farmers' organisations, whose advice and assistance will be warmly welcomed.



## PART III. FISHERIES

### SEA FISHERIES

#### *General Aim*

63. Hitherto, sea fisheries policy has been aimed at supplying the home market with fresh fish from landings by inshore fishermen. It must be noted that the market is restricted: our consumption of fish is one of the lowest in the world. The home market could be expanded considerably if prices were reduced by an increase in supplies and if the means of distribution were improved. Our exports are small, but it is clear that markets are available if we can supply high-quality fish at a competitive price. With good prospects of markets at home and abroad, policy is now aimed at a substantial increase in landings of fish. An expanded sea-fishing industry would not only increase productive employment on fishing vessels but would stimulate activity in boat-building, in the processing and distribution of fish and in related industries. The main outline of the future development of the industry is already clear. An F.A.O. consultant is being engaged to review the industry, to suggest the lines upon which it should be developed as an export industry, and to advise on the measures required to increase catching power and processing, to facilitate marketing and to attract the necessary capital.

#### *Catching Power*

64. Our catching power is severely limited and our vessels are confined virtually to inshore waters. Large-scale development of the industry is not possible on the basis of the present fleet. More boats are required—particularly those of 70' and upwards which are suitable for fishing in any waters off our coasts. The demand for vessels, however, is restricted by their high capital cost and the speculative nature of their operations. This situation calls for special treatment. More attractive facilities for purchasing boats will be provided, e.g., by reducing the deposit required and by deferring the payment of loan charges in the early years of operation.

65. Apart from the need for more and bigger boats, there is scope for improving the efficiency of the fishing fleet. An Icelandic master fisherman has been engaged to advise fishermen in modern methods and techniques. Two groups of younger fishermen are undergoing training as skippers—the first ashore at Galway and the second at sea. Two offshore vessels operated by An Bord



Iascaigh Mhara have been adapted for this purpose. If sufficient applicants for training are forthcoming, it is hoped that the course which has been started at Galway will develop into an established nautical school.

### *Shellfish*

66. Landings of shellfish could be almost doubled but limiting factors are the instability of export markets, the small numbers engaged in this type of fishing and the inadequacy of their equipment. New market outlets have been found for lobster and there is demand for processed crab in the British market. Traders are equipped to handle a substantial increase in exports, but fishermen need more powered boats; these will be made available on the purchase terms referred to in paragraph 64.

### *Harbours*

67. There are many small piers and harbours, none of which, however, was designed as a modern fishery harbour. There is an outstanding need for five or six specially developed fishery harbours, with good berthage, depth of water, and quays equipped with modern facilities for unloading, for the manufacture of ice, the processing of fish and the production of fish meal and oil. A Swedish consultant has been engaged to advise on this matter and, when his report has been received, a development programme will be undertaken. Many of the smaller landing places will also be improved.

### *Processing*

68. To cope with increased landings, additional factories will be needed for the quick-freezing and curing of fish and the production of fish meal and oil; canning factories are also necessary. Private interests which provide fish-processing factories will be eligible for assistance similar to that available to other manufacturing concerns. An Bord Iascaigh Mhara will build these factories if the private sector fails to do so, and will consider leasing them to private concerns.

### *Marketing*

69. Cold storage facilities at inland centres are essential to effective distribution on the home market; these will be made available by An Bord Iascaigh Mhara if private interests fail to provide them. Export prospects are encouraging; in Britain there is a large market to which fish consigned from this country has free entry, and there is a world market for many varieties of fish—cured, canned or otherwise processed. Detailed studies of export markets will be undertaken in conjunction with Córas Tráchtála Teoranta. Direct land-



ings into Britain of the catches of Irish boats will become more attractive from January, 1959, when the prevailing 10% duty will be removed.

#### *Exploratory and Research Work*

70. Scientific fisheries research has hitherto been quite inadequate. Provision is now being made for two exploratory fishing vessels; tenders for the construction of the first vessel have been invited. With these vessels, a scientific study will be made of the sea around our coasts, of its stocks of fish and of their movements. For the proper utilisation of the information thus obtained, a fisheries research station will be established and additional technical staff will be engaged.

### INLAND FISHERIES AND SEA ANGLING

#### *General Aim*

71. The aim of policy is to develop inland fisheries and fish farming with a view to increasing exports and improving angling as a sporting amenity and tourist attraction.

#### *Five-Year Plan*

72. Under a plan prepared by the Inland Fisheries Trust in conjunction with Bord Fáilte Éireann, the development of coarse fishing, game fishing and sea angling has been undertaken at an estimated cost of £155,000 to be borne on the Board's grant-in-aid over five years from 1957. The broad aims of the plan are:—

- (a) to open up fishing waters and facilitate access by anglers;
- (b) to improve selected salmon and trout rivers and lakes by removing coarse fish and restocking where necessary;
- (c) to stock waters suitable for coarse fish development with tench, carp, rudd and bream;
- (d) to promote sea angling clubs and assist in the provision of boats and other facilities;
- (e) to arrange for publicity in Britain and on the Continent—including visits by teams of anglers;
- (f) to secure increased and improved tourist accommodation in angling areas.

#### *Inland Fisheries Trust*

73. The operations of the Inland Fisheries Trust, including the improvement of brown trout fishing in waters owned or leased by the Trust, will be extended and accelerated with a view to shortening the development phase. For stocking suitable waters, the production of trout and coarse fish such as bream, rudd, carp and tench is being increased at Roscrea Fish Farm; coarse fish for this purpose are also obtained by netting from trout waters.



### *Salmon*

74. The improvement of salmon rivers will be undertaken on an increasing scale. The study of problems such as the pollution of waters and their obstruction by natural and man-made hazards will be intensified. Schemes are also in hand to provide access to new spawning grounds, to improve the stocks of salmon and to induce runs of fish in rivers at present relatively barren. Portion of the cost will be borne by the Salmon Conservancy Fund.

### *Fish Farming*

75. The Inland Fisheries Trust has established a fish farm at Roscrea, and an Irish firm has indicated its intention of establishing, in association with foreign interests, a commercial trout farm in Co. Wicklow. With a view to encouraging the establishment of fish farms, profits derived from exports of fish produced on such farms have been made eligible for the export tax concessions.

### *Fish Pond Culture*

76. Fish pond culture as an adjunct to the farming of agricultural holdings will be promoted. For proper operation, a unit of at least five ponds is necessary and such units should be conveniently grouped to facilitate marketing. The combined cost of constructing and equipping a five-pond unit is estimated at £400. Grants will be provided towards the initial outlay. Participants will be trained in the feeding and general care of fish, and the scheme as a whole will be supervised by a fishery biologist.

### *Eels*

77. Surveys will be made of under-exploited waters and advice afforded on the construction of new eel weirs and the rehabilitation of those in disuse. A study of continental eel fisheries has been made with a view to encouraging modern methods of culture, capture and processing of eels.

## MARINE PRODUCTS

78. Export prospects for sea-rod meal are promising and Arramara Teoranta are being encouraged to increase production. The market prospects for animal feeding stuffs produced from other types of seaweed are being examined; if these prove favourable and if existing concerns fail to increase their output, Arramara Teoranta will be assisted to enter this field. This company has recently installed a plant for the mechanical cleaning of carrageen, for which there are good export prospects.



## PART IV. FORESTRY AND FOREST PRODUCTS

### STATE AFFORESTATION

79. The total area of forestry plantations is now 327,000 acres, of which 237,000 acres are State-owned. Present plans provide for the planting, by the Department of Lands, of 22,500 acres in 1958/59 and 25,000 acres in 1959/60 and subsequent years. The long-term planting rate is subject, *inter alia*, to the rate at which land can be acquired and to the extent to which marginal peat soils can be successfully utilised. Experiments in the increase of grass output on lands sheltered by commercially valuable shelter belts will be undertaken in association with the Department of Agriculture. If these are successful, more land should become available without reduction of sheep grazing.

80. The programme envisages the growing of sawlog timber on a 50-year rotation. Small-dimension timber for pulp, etc., as far as not obtainable from the thinning of plantations grown on a sawlog rotation, would be produced from plantations grown on a rotation of, say, 30 years.

81. An annual planting rate of 7,000 acres would suffice for present domestic requirements of sawnwood and pulpwood, but if consumption were to increase to the much higher Danish levels the produce of an annual planting programme of 17,500 acres would be absorbed on the home market. In either event, export markets will be needed for the disposal of much of the output expected from the present planting programme. This emphasises the need for economic production. Policy is aimed at the development of State forestry on sound economic lines, and steps are being taken to increase productivity and reduce timber production costs. Remuneration by incentive bonus both for quantity and quality production is being introduced and will be applied to all forests.

82. Expenditure on forestry will continue to have a high labour content. Forestry employment will not rise rapidly over the next five years but will increase from 5,000 men at present to about 13,000 by the close of the century; this, of course, does not include the employment which will be afforded in the industrial utilisation of forest products.



### PRIVATE FORESTRY

83. Afforestation on privately-owned lands has been on a small though increasing scale. Private planting (which amounted to 424 acres in 1957/58) could be a valuable supplement to State planting. The planting grant was increased in 1958 from £10 to £20 per acre to encourage increased planting by land-owners. An intensive propaganda campaign is being launched with the same objective.

### FOREST INDUSTRIES

84. Long-term aims include the development of large-scale industrial conversion and processing of timber to meet in full domestic requirements of all non-tropical forest products and to secure exports of surplus production in a processed state. Processing prior to export provides increased employment and adds to the value of exports.

85. Attention is being directed to the improvement of timber-conversion processes so as to make home-grown timber more readily acceptable as a substitute for imported materials and thereby enable more remunerative prices to be paid for timber ex-forest. Prominent firms in the Irish timber industry are actively concerned with measures aimed at popularising the use of Irish timber.

86. Economic utilisation of small-dimension timber for the production of paper, wallboard, chipboard, etc., is essential to the success of forestry, and private enterprise is being encouraged to pursue development in this field; this will enable remunerative prices to be paid for the raw material. State intervention is not contemplated if satisfactory development by private enterprise can be secured, but it will be necessary to keep the position under constant review to ensure full and satisfactory utilisation of the increasing quantities of timber which will become available.

### FINANCIAL REQUIREMENTS FOR FIVE-YEAR PERIOD

87. Total net State outlay on forestry, including private forestry, for the next five years will average £1.9 million, but will tend to fall with the expected rise in receipts. Approximately £1 million per annum of the cost will be met by borrowing.

88. Because of increasing timber production and improved prices for timber, net expenditure is expected to decline to some £1¼ million by 1971/72; by 1974/75 a revenue surplus should emerge—i.e., income will cover capital as well as current outgoings and further capital draws on the Exchequer will not be necessary. There is a good prospect that, in the long-term, the forest undertaking will be able to yield a return of about 5%, if not on the total investment, at least on that portion of the expenditure classified as capital for budgetary purposes.



## PART V. INDUSTRY

89. The broad outlines of agricultural policy are largely settled already by natural conditions of soil, climate, etc. and, to that extent (leaving aside discussion as to the means to be adopted) the specific objectives to be aimed at are almost self-evident. The position in regard to industrial policy is different. It is true that the direction of development must be profoundly influenced by the presence or absence of particular natural resources; that any country embarking on a programme of industrialisation must first provide the basic industrial requirements (power, transport, water, etc.); and also that the first objectives of manufacturing industry in a developing country are normally the supply of day-to-day requirements of the population in clothing, footwear, flour and bread, processed foodstuffs, furniture, tobacco, etc. But outside this range there is a vast area in which, as will be seen from the history of countries like Switzerland and the Netherlands, further development depends less on natural advantages and home market needs than on the initiative and enterprise of private individuals and groups and on the determination of the nation as a whole to overcome natural handicaps.

90. For these reasons a statement of the aims of industrial policy cannot take the form of a list of specific manufacturing projects proposed to be established over a specified period. Special reference should, of course, be made to particular industrial schemes which, for reasons of public policy or because it is considered unlikely that they will be initiated by private interests, it is proposed to sponsor as Government projects. Examples of this type of project are the nitrogenous fertiliser plant proposed to be located at Shannonbridge, Co. Offaly, and the expansion of the steel works at Haulbowline; brief particulars of these are given later (paragraphs 110-111). Nevertheless, it remains true that, in recognising and developing opportunities for profitable manufacturing activities, there is no substitute for private enterprise, and the main objective of Government policy in this field is to create the conditions in which it will be stimulated and encouraged to embark on new activities. The Government can encourage, attract, stimulate; it can offer help and guidance; it can provide a meeting-place between productive ideas and the savings of the people. But the Government cannot will its way to success in this or any other direction: that depends on the people themselves, on those who provide the ideas, the money or the manpower.



91. The primary aim of Government policy in the industrial sector, therefore, is to stimulate a vast increase in private industrial investment while maintaining the supply of capital for productive State enterprises. Where it is economically possible, Government policy will aim at securing that manufacturing activities will cover all processes from the basic raw material stage.

92. Before attempting to summarise Government policy on industrial development, the considerations which have influenced the formulation of that policy may be mentioned. The contribution by industry to the national income of this country is still very much below the average for O.E.E.C. countries, and the policy of encouraging industrial development must be vigorously pursued until it approaches much nearer that level. It will not be easy to reach that target and, if any degree of success is to be attained, the first essential is a clear recognition of the nature of the difficulties to be overcome.

93. The persistence, decade after decade, in war and in peace, of a high level of emigration is at once the greatest challenge facing Ireland and the greatest obstacle to be overcome in the context of industrial expansion. The economic recovery of Western Europe since the war is remarkable, but, while other factors were undoubtedly present, it is questionable whether that recovery would have been so marked if the population of the area had remained static or declined. The existence of our population problem means that Irish manufacturers, unlike their competitors in almost any other country in the world, have to plan for a future in which there is uncertainty whether (in terms of population, though not, it is hoped, in terms of purchasing power) the home market will expand, and have to train their workers in the fear that, when trained, those workers may look for an opportunity to employ the newly-acquired skills in another country.

94. Despite the handicaps described, a great deal has already been achieved in the industrial sector and, over a wide area, the needs of the home market are now being met by Irish manufacturing units. It is now clear, however, that further industrial expansion must largely be based on production for export markets. If success is to be achieved—

- (a) adequate facilities must be provided by the State for the encouragement of industrial development;
- (b) while continuing to rely mainly on private enterprise, State funds must be made available to meet the long-term requirements of private industry to the extent that these requirements are not satisfied from other sources;



- (c) we must be realistic in our appraisal of the factors likely to affect our efforts and must be prepared to overhaul, modify or even abandon policies which have served their purpose or which are likely to hamper the future expansion of industry;

- (d) we must be prepared to welcome foreign participation, financial and technical, in new industrial activities aimed at exports.

It follows also that, in our present circumstances, we must be prepared to take risks under all headings—social, commercial and financial—if we are to succeed in the drive for expansion. Finally, we must accept the facts that spectacular changes in the situation are unlikely and that there is no formula for success other than hard work at all levels of activity.

95. Since future industrial expansion must depend largely on our ability to establish or attract new industries catering mainly for export markets, we must bear in mind the probable emergence in the near future of a European Free Trade Area. Even if Ireland, as a country in course of development, is enabled (by the grant of special terms in the matter of tariff reduction) to join her more highly industrialised neighbours in a Free Trade Area, the very establishment of the Area will inevitably have a profound influence on the methods to be adopted in future to stimulate expansion. We have to find projects for the production of goods which

- (a) if they have to be sold abroad, will sell in open competition with those of other countries, or
- (b) if they have to be sold at home, will not, by reason of poor quality or high price, impose a drag on the rest of the economy.

No other type of manufacturing project, however meritorious it may appear to be on social or political grounds, can be of lasting benefit to the national economy. At the inter-Government negotiations regarding the Free Trade Area, it has been accepted that safeguards will have to be provided against dumping and other forms of unfair trading. If this country becomes a member of the Free Trade Area, legislation will be promoted to protect Irish industries against dumping or any other form of unfair competition.

#### FOREIGN PARTICIPATION

##### *Capital*

96. There are substantial advantages in the development of industry



under Irish ownership and control. While this development will be fostered in every way, the Government welcome foreign participation in the drive for expansion in industry where it is likely to result in new industrial activity or an increase in our industrial exports. The Government will continue to pursue the policy contained in the Industrial Development (Encouragement of External Investment) Act, 1958. If the provisions of that Act prove inadequate, the Government will be prepared to consider further measures to facilitate foreign industrial investment in Ireland.

### *Personnel*

97. Permits are readily obtainable for foreign industrial promoters to reside in Ireland and permission is also freely granted for the employment of foreign managers and technical experts in industrial enterprises. This policy will be continued.

## STATE FACILITIES FOR INDUSTRY

### *Capital*

98. The Government are determined to ensure that no soundly-based industrial project will be allowed to fail or be prevented from starting solely through lack of capital. The Industrial Credit Co., Ltd., is the principal State-sponsored agency for the provision of capital for industry. Steps have been taken to make it possible to finance the Company by direct advances from the Central Fund as desired or by State guarantees to banks, insurance companies, etc., providing capital. With the increased resources available to it the Industrial Credit Co., Ltd., will be ready to help industry in a variety of ways, e.g.,

- (i) underwriting public issues of share or loan capital by industrial companies;
- (ii) subscribing for shares in industrial companies;
- (iii) giving long-term or medium-term loans—the service charges on loans may be deferred for an agreed initial period where warranted by the exceptional circumstances of a project;
- (iv) providing hire purchase facilities for the acquisition of industrial plant and machinery;
- (v) offering advice and general guidance on the most suitable means of raising capital.

The most appropriate form of aid will be determined in each case and will depend on the particular circumstances.

### *Protection*

99. It would be unrealistic, in the light of the probable emergence



of a Free Trade Area, to rely on a policy of protection similar to that applied over the past 25 years or so. Assuming that a Free Trade Area is set up in Western Europe and that Ireland joins the Area, the Government will, of course, still be prepared, in suitable cases, to grant protection to worth-while new industries up to the limits permissible under the rules of the Free Trade Area, but it must be expected that in future the criterion to be applied in determining what is "worth-while" will be very much stricter than hitherto. Bearing in mind that the only scope for substantial expansion lies in the production of goods for sale on export markets, it is clear that there can be no place for weak or inefficient industries. Even where only the home market is involved, it must be accepted that such industries place a burden on the economy generally and render other industries less able to meet foreign competition. Hence it must now be recognised that protection can no longer be relied upon as an automatic weapon of defence and it will be the policy in future *in the case of new industries* to confine the grant of tariff protection to cases in which it is clear that the industry will, after a short initial period, be able to survive without protection. The rules of the Free Trade Area will require a gradual and systematic reduction in *existing* tariffs.

#### *Taxation*

100. In order to encourage investment in Irish industry and an increase in industrial exports, the taxation code has been amended in recent years so as to give relief on export profits and also in respect of expenditure on mineral development, shipping, plant and machinery, new industrial buildings, etc. These arrangements appear generally to be adequate, but the Government will be prepared to consider their extension to meet special circumstances where important developments are involved.

#### *Industrial Research*

101. The organisation of the Institute for Industrial Research and Standards will be reviewed so as to secure direct cooperation with industrial units and groups and more active attention to the problems of industry. For this purpose additional funds will be made available.

#### *Technical Assistance*

102. The principle of a State contribution towards the cost of technical assistance schemes designed to improve the efficiency of industry has already been accepted and put into practice by the Government. This policy, which has already produced encouraging results, will be continued. The Government are anxious that all Irish industries should avail themselves of the opportunity so afforded of improving their efficiency, organisation and methods of production



generally. Technical assistance schemes are particularly important in the case of firms engaged in or proposing to engage in production for export.

103. The European Productivity Agency of the O.E.E.C. conducts research into more efficient working methods and offers technical assistance to member countries in solving their productivity problems. It is Government policy to encourage industrialists to take full advantage of the Agency's programmes and to participate actively in its work. Representatives of the various interests concerned—employers, management, labour, etc.—are forming a committee to promote productivity, with special reference to how this country might most effectively participate in the work of the European Productivity Agency and take full advantage of the Agency's services and resources.

#### *Technical Training*

104. Special consideration will be given to the need for ensuring an adequate supply of personnel, with the requisite knowledge and skill, at all levels of industry. As the existing arrangements in regard to the recruitment and training of apprentices are unsatisfactory, new legislation has been introduced to replace the present apprenticeship legislation.

#### *Exports*

105. The Government have decided to introduce legislation establishing Coras Tráchtála Teo., as a permanent State agency for the promotion of exports. Adequate finances will be put at the disposal of this body to carry out promotional and market research work in export markets.

#### *Grants*

106. Grants, to a total aggregate of £4 million in the period to 31 December, 1963, may be made by An Foras Tionscal for industrial projects in the undeveloped areas. As regards projects located elsewhere, the improved facilities which the Industrial Credit Co. will be in a position to offer following the increase in the Company's resources should, in general, meet adequately the requirements of industrial promoters. Accordingly it is the intention that grants under the Industrial Grants Act, 1956, will in future be made only in exceptional circumstances and for projects of exceptional importance. Legislation will be promoted to transfer the administration of the Industrial Grants Act, 1956, from the Industrial Development Authority to An Foras Tionscal, thereby enabling the Authority to concentrate on promotional activities.



### *Industrial Promotion*

107. The Industrial Development Authority will continue the present drive to attract foreign industrial investment to Ireland. Considerable success has already been achieved and it is reasonable to hope that the successful establishment and operation here of important industries financed mainly by foreign capital will serve as an attraction to other similar ventures. The Government attach the greatest importance to the promotional activities of the Industrial Development Authority and will be ready to widen the scope of the organisation and increase the resources at its disposal, if experience suggests the need for it.

## STATE PARTICIPATION IN INDUSTRY

### *General Principles*

108. The Government favour the system of private ownership of industry and will not be disposed to enter any manufacturing field in which private enterprise is already operating successfully. Paragraph 90 above refers briefly to the circumstances in which industries may be established by the State itself; this covers a very narrow range and, outside this range, the scope for private enterprise is virtually unlimited. The State is, however, deeply concerned in the adequacy of the efforts of private industrial promoters, and stands ready to assist them in the various ways outlined in the preceding paragraphs. In future, the form of assistance most likely to be sought from State sources is the provision of capital and, as already pointed out, the Industrial Credit Company will be equipped to meet the demands likely to be made on it.

### *Existing State-sponsored Concerns*

109. State-sponsored concerns will be encouraged to extend their activities into projects related to their main spheres of operation and to test the profitability of new lines and new markets. The E.S.B., Bord na Móna and other State bodies will, where necessary, be aided in their researches into new uses for their products in industrial and commercial fields. No fund of experience, enterprise or management ability can be allowed to lie dormant, if the maximum rate of development is to be attained.

### *Nitrogenous fertiliser*

110. As has already been announced, Blackwater bog, Co. Offaly, which has been partly developed by Bord na Móna, has been reserved as the source of milled peat for a factory to produce ammonium nitrate fertiliser. A detailed examination of the financing and production costs of the project and of alternative manufacturing processes



is at present being made; when this is completed, a final decision on the matter will be taken. The probable cost of a nitrogenous fertiliser factory equipped to meet the full market demand would be of the order of £6-£8 million.

### *Steel*

111. The Government have approved in principle proposals by the Board of Irish Steel Holdings Ltd. for major extensions of the steel works at Haulbowline, Co. Cork. The Board are preparing detailed plans for further consideration by the Government. The development proposals, which will take four years to implement, include the expansion of open hearth furnace capacity, the casting of large ingots which will be rolled in a new mill into a wide range of finished and semi-finished sections, the adaptation and mechanisation of existing steel-making and rolling plant to meet the requirements of the larger and more varied production, and the eventual manufacture of sheet steel from bars produced in the new mill. The primary purpose of the proposed developments, which are provisionally planned will cost about £2 million, is to increase the output and efficiency of the mills and thus reduce production costs and selling prices.

### *Shipping*

112. After the war Irish Shipping, Ltd. put into effect long-term plans for expanding their fleet. The Company's current tonnage programmes are now nearing completion, only one vessel, a deep-sea tanker, remaining to be delivered. When this vessel is completed in mid-1959, the total fleet tonnage will stand at 160,000 tons deadweight. The next stage of development will require careful consideration in the light of conditions in the shipping industry and of national requirements. The earlier estimate of 250,000 tons deadweight for the latter may need revision in view of the greater capacity and efficiency of modern vessels. The Government do not contemplate limiting the growth of the Company's fleet to national emergency requirements, but expansion is obviously dependent on opportunities in the world shipping market. It is the intention of the Government, however, that Irish Shipping, Ltd. should regularly replace their older vessels to ensure the continued maintenance of a modern and efficient fleet. In common with other shipowners throughout the world, the Company have been severely hit by the present slump in freight rates and have been obliged to lay up two vessels for lack of cargoes. The recession has reduced the Company's ability to accumulate internal capital resources and the Government have decided to introduce legislation to enable the State to make further contributions towards the Company's development programme. It is also intended to make provision for increased borrowing powers by the Company.



### *Public Transport*

113. Government policy on public transport has been stated in detail on several occasions in the recent past and is contained particularly in the Great Northern Railway Act, 1958 and the Transport Act, 1958. Under these Acts C.I.E. have become the sole public transport authority in the State with the exception of two small companies operating in County Donegal. C.I.E. are charged with providing reasonable, efficient and economical transport services, the encouragement of national economic development and the maintenance of reasonable conditions of employment for its workers. The Board of C.I.E. are required so to conduct the undertaking as to eliminate losses by 31 March, 1964.

114. The recent Acts provide for

- (i) the writing down of the capital of C.I.E. by £10 million to £13.5 million, and the writing-off of repayable advances made by the Exchequer to a total of £6.6 million, thus relieving C.I.E. of annual interest charges of £632,000;
- (ii) the writing-off of capital advances amounting to some £3 million from the Exchequer to the G.N.R. prior to the amalgamation with C.I.E. of the part of that concern in the State;
- (iii) the payment of compensation at State expense to staff rendered redundant by the reorganisation of the undertaking;
- (iv) the removal of the common carrier and other statutory obligations which had hitherto restricted the commercial adaptability of C.I.E.; and
- (v) the payment to C.I.E. of non-repayable grants of £1.175 million per year in each of the five financial years ending 31 March, 1964.

### *Electricity*

115. The policy of the Government is to ensure

- (i) that energy supplies are adequate to meet industrial, commercial and private domestic needs, actual and potential;
- (ii) that these requirements are provided from native resources to the maximum possible extent.

116. By 1963, when the Board's present development programme will be completed, a capital expenditure of some £130 million will have been incurred and generating capacity will be capable of meeting a demand of up to 2,645 million units as against an actual demand in the year ended 31 March, 1958, of 1,775 million units. Consideration is already being given to plant requirements in the three years



1963/64 to 1965/66 and it is expected that most if not all of these requirements can also be provided on the basis of native fuel resources.

117. At 31 March, 1958, 616 areas (out of a total of about 800) had been developed under the Rural Electrification Scheme and over 215,000 rural consumers (about 75 per cent. of the inhabitants of the areas concerned) were receiving supply. It is the intention to complete the development of the remaining areas by 1962 when the number of rural consumers will be about 270,000.

118. Hitherto the greater part of the Board's capital requirements has been met by repayable advances from the Central Fund and to a lesser extent from the Board's own resources. With the increased availability of the latter and increased borrowing powers, it is expected that in a relatively short time the Board will be independent of the Central Fund as a source of capital. If necessary, however, capital will continue to be available from the Exchequer.

#### *Turf Development*

119. The present development programme of Bord na Móna is aimed at the production of 3 million tons of turf by 1963 as compared with a present annual output of 1.5 million tons. Of the 1963 target, one million tons will be sod peat and two million tons milled peat. Of the total output 1.75 million tons will be used for electricity generation, 0.75 million tons for the manufacture of turf briquettes and 0.5 million tons (all sod peat) for industrial and domestic purposes. This development programme is estimated to cost £21 million, of which £12.7 million has already been spent. The demand for turf briquettes, which are produced from milled peat, is particularly buoyant and two new factories are being erected for its production. In addition to the output figures mentioned above, Blackwater bog, Co. Offaly, which the Government have decided should be reserved for a nitrogenous fertiliser factory, has a potential annual production of 0.35 million tons of milled peat.

#### *Civil Aviation*

120. With the advent of long-range jet aircraft, it is to be expected that the amount of ordinary transit traffic through Shannon Airport will diminish. To counteract this, the Shannon Free Airport Development Authority has been set up and given the tasks of developing passenger and freight traffic and encouraging manufacturers to take advantage of the Airport's customs-free status and its freight facilities. It is the Government's intention to give every encouragement to this development, and legislation is contemplated which will grant a 25-year exemption from taxation on the profits of industries set up in the customs-free zone.

121. A new airport is under construction at Cork. It is intended



that, apart from domestic services, it will cater for traffic between the southern part of the country and Britain. It is possible that it will also be a base for continental traffic. The initial capital cost of the airport is of the order of £1 million.

122. It is intended that Aer Lingus should maintain the successful services it has built up to Britain and develop steadily its services to the major cities on the Continent. Aircraft at present in use or on order will probably meet the needs of the Company for about five years. During that period, however, it may be necessary for the Company to order jet aircraft in order to keep abreast of their competitors. This would entail substantial new investment.

123. The present transatlantic air service operated by Aerlinte with American aircraft and crews can only be regarded as experimental. If the experiment proves successful and long-term profitability appears assured, a national service will be established, possibly with American capital participation.

#### *Telephones*

124. Shortage of capital has, in the recent past, necessitated curtailment of telephone capital expenditure. In present-day conditions, a highly developed telephone system is an essential adjunct to competitive production and distribution and provides, in addition, a desirable social amenity without any net charge on the Exchequer.

125. The Government have, accordingly, decided to make an additional sum of up to £0.5 million available annually for telephone capital development. This will eventually increase the present yearly allocation of capital by approximately one-third. The feasibility of manufacturing more telephone equipment here is being examined, but the indications are that there is little scope for the economic production of most of the equipment at present imported.

#### MINING

126. Recent legislation provides special reliefs from taxation for new mining projects in the case of non-bedded minerals and for new and increased production in the case of coal. Additional funds will be made available to the Geological Survey Office to enable it to continue and enlarge the coal-prospecting survey begun with the aid of Technical Assistance moneys and to undertake intensive surveys for other mineral deposits, using the most modern techniques. The services of this Office are freely at the disposal of enquirers and, in addition, Technical Assistance grants will be made towards the cost of prospecting and development in suitable cases. These facilities, taken in conjunction with the provisions of the Minerals Development Act, 1940, form an adequate base for the expansion of mining operations



wherever these prove to be economically possible. Exploration for oil and natural gas gives rise to special problems not present in the case of other minerals and new legislation to facilitate such exploration is being prepared.

## TOURISM

### *General Policy*

127. A great deal has been done already, through the operations of Bord Fáilte Éireann, to exploit the potentialities of tourism. The measures already taken under the headings of publicity, hotel improvement, resort development, sign-posting, etc., will be continued and extended. In addition, the incentives already announced for the expansion of hotel accommodation (i.e. loans, grants and income-tax allowances) will be continued. The Government also wish to make it clear that they will welcome the introduction of foreign capital and enterprise for the purpose of hotel construction and management, and will make freely available to foreign investors in this field the same aids and facilities as are offered to Irish hoteliers.

### *Development of Tourist Resorts*

128. The Government have decided to set aside at least £1 million to assist, by way of grants, a ten-year programme for the improvement of major tourist resorts; these grants will supplement expenditure from local resources and loan facilities provided by Bord Fáilte Éireann. Unlike the guaranteed loan scheme, which is only appropriate for financing revenue-earning works, the new grants will be confined to non-revenue earning works and will thus enable such essential schemes as basic site development, provision of promenades, parks, etc., to be undertaken. The new scheme will be subject to two conditions, viz.,

- (i) that the works to be carried out at any resort must form part of a fully coordinated plan of development for that resort; and
- (ii) that a substantial local contribution will be forthcoming either from a local development group or from the local authority concerned.

### *Disembarkation Facilities*

129. The development of berthing, disembarkation and other passenger facilities at tourist ports is obviously of paramount importance. Action in such matters as the provision of additional tenders at Cobh and the improvement of the pier at Dun Laoghaire is proceeding. It is Government policy that capital should be made available for improvements at important tourist entry points.



### *Game Reserves*

130. To increase tourist trade, no natural resource should be left undeveloped. Government policy for the development of angling facilities has already been outlined. There are large tracts of land, especially in the west, which, if properly stocked, could provide unrivalled shooting reserves. At present voluntary rural organisations, in conjunction with Bord Fáilte and with the active cooperation of the Department of Lands, are engaged in a campaign aimed at the clearance of vermin; this is an essential prerequisite to game propagation.

### RESTRICTIVE PRACTICES

131. Restrictive practices, whether by employers or labour, inflate costs of production and distribution and retard the expansion of output and employment. The development of the economy depends on our being able to offset the competitive advantages of other countries by more efficient production. It is essential, therefore, that restrictive practices be abolished and it will be an object of Government policy to secure enlightened cooperation towards this end. If progress can thereby be facilitated, further legislation will be introduced. There is a definite need throughout industry for machinery for joint consultation between employers and workers, and every assistance will be given to the establishment of such machinery.

### REAPPRAISAL OF POLICIES

132. Reference has been made to certain modifications of earlier policies, e.g., as regards foreign investment, tariff protection and restrictive practices, which already have been or shortly will be put into effect. The need for increased industrial employment is so compelling, however, that the Government will not hesitate to make any further changes that may be necessary if it appears that progress is being impeded by any aspect of existing policy.



## PART VI. CAPITAL COST AND AVAILABLE RESOURCES

### COST OF PROPOSALS

133. An estimate of the amount required to finance the programme of economic development is made in Appendix I. In most cases the details necessary for even an approximate forecast are not yet available and, furthermore, the apportionment to individual years of the estimated cost is necessarily tentative; the figures should therefore be regarded only as an indication of the orders of magnitude involved. Subject to these qualifications, the capital cost is estimated at £53 million in the five-year period from 1959/60 (the first full year) to 1963/64.

134. This cost is additional to that which will be required to finance the public capital programme on the basis of *present* policies. A forecast of the programme for the five years from 1959/60 to 1963/64, on the basis of present policies and of the programme set out in this White Paper, is contained in Appendix II. The total capital cost for the period is estimated at £220 million.

### RESOURCES

135. It is necessary to relate these estimates to the financial resources likely to be available. These resources are current savings, external assets and external borrowing (including foreign investment in Ireland).

#### *Current Savings*

136. It is assumed that in the years immediately ahead savings will, on average, be sufficient to maintain capital formation at the 1957 level. As a higher rate of capital formation is needed to yield the increase in output required to provide acceptable living standards for an expanding population, there will be no relaxation of the efforts which are being made to secure an increase in savings.

#### *External Assets*

137. These consist of the *external investments* held by the private sector and the *external reserves* held by the monetary authorities. External investments are not available to finance balance of payments deficits unless they are sold by their owners or used directly to purchase imports. In considering the extent to which external reserves can be drawn upon to finance any gap between investment needs and available resources, the following factors, amongst others, have to be borne in mind:

- (i) the primary purpose of these reserves is to underpin the exchange value of the currency, and economic development



will be retarded rather than assisted by any action which jeopardises that value;

(ii) our economy is subject to acute fluctuations in external trade, the impact of which falls primarily on the liquid external reserves of the commercial banks, affecting their ability to extend domestic credit;

(iii) the external reserves of the commercial banks have been greatly reduced since the war and now afford little margin over minimum liquidity requirements;

(iv) Ireland now has the right of recourse to the International Monetary Fund for temporary borrowings, within certain limits, to meet balance of payments difficulties.

Subject to the preservation of long-term equilibrium in the balance of payments, financial policy will (as stated in paragraph 10) favour the application of all available resources to productive home purposes. If there should be any scarcity of home capital for productive development, it would be in accordance with this policy that *future* issues of legal tender notes should not involve an addition to the external reserves of the Central Bank.

#### *External Borrowing*

138. Where available resources are inadequate to finance productive projects, they will be supplemented by borrowing from the specialised international lending institutions of which Ireland is, or may become, a member. Moreover, direct capital participation by externs in new industrial projects will be encouraged. But as interest and repayment charges on external borrowing impose a strain on the balance of payments, any external borrowing will be confined to the financing of productive projects.

#### EFFECT OF PROPOSALS

139. The programme outlined in this White Paper is calculated to release a dynamic of progress in the Irish economy. Making all allowances for imprecision in the available information, it is estimated that the implementation of the programme will result in an increase in real national income of some 2 per cent. per annum; this rate, which is twice that achieved in recent years, would double national income in real terms in 35 years. The programme will, therefore, make a significant contribution towards the advancement of national prosperity, but, in the last resort, progress will depend on the determination of the people to prosper, on their capacity for hard work and on their willingness to cooperate in the fulfilment of a comprehensive national programme.



# APPENDIX I

## ESTIMATED NET CAPITAL COST OF DEVELOPMENT PROPOSALS

£ MILLION

	1959/60	1960/61	1961/62	1962/63	1963/64	TOTAL
<b>AGRICULTURE:</b>						
1. Credit provided through the Agricultural Credit Corporation (a) ...	0.50	1.00	1.50	2.00	2.50	7.50
2. Subsidisation of phosphate fertiliser (b)	1.50	1.25	1.25	1.25	1.25	6.50
<b>FISHERIES:</b>						
Additional boats, harbour development, processing establishments, etc. ...	0.40	0.50	0.60	0.70	0.80	3.00
<b>INDUSTRY:</b>						
1. <i>Industrial Development (General):</i>						
(i) Expansion of credit through Industrial Credit Co. (c) ...	3.00	3.00	3.50	3.50	4.50	17.50
(ii) Research, efficiency, productivity, technical training ...	0.10	0.20	0.30	0.50	0.50	1.60
2. <i>Irish Steel Holdings, Ltd.:</i>						
Extension of steel works at Haulbowline (d) ...	—	0.50	0.50	0.50	0.50	2.00
3. <i>Extension of activities of existing State-sponsored concerns (e)</i> ...						
...	0.05	0.25	0.60	0.75	1.00	2.35
4. <i>Nitrogenous Fertiliser Project (f)</i> ...	—	1.50	1.50	2.00	2.00	7.00
5. <i>Tourism:</i>						
(i) Hotel accommodation and other catering ...	0.20	0.25	0.35	0.50	0.75	2.05
(ii) Resort development ...	0.10	0.10	0.10	0.10	0.10	0.50
(iii) Port facilities ...	0.10	0.15	0.25	0.25	0.25	1.00
<b>TELEPHONES</b> ...	0.20	0.50	0.50	0.50	0.60	2.20
<b>TOTALS:</b>	0.15	0.20	10.85	12.35	14.65	53.40

*General footnote:* The figures above, which are subject to the qualifications mentioned in paragraph 133, are confined to capital development costs *additional* to expenditure which will arise in the working out of existing policies.

(a) *Agricultural Credit:* It is hoped that a substantial proportion of these amounts will be provided by the banks and other financial institutions. Credit which may be afforded directly by the banks under their own scheme of livestock loans is not included. Repayments of advances to the Corporation, roughly estimated to amount to £1.6 m. over the five-year period, are expected to be available for re-issue.

(b) *Phosphates Subsidy:* In addition to the amounts shown above, £0.25m. will be made available in 1959/60 and £0.5m. annually thereafter by the discontinuance of Section B of the Land Project.

(c) *Industrial Credit:* It is assumed that the banks and other financial institutions will contribute substantial amounts towards these estimated requirements. The figures take account of the ship-building project at Haulbowline.

(d) *Irish Steel Holdings Ltd.:* Outline proposals for the project estimated to cost about £2m. have been approved in principle. As detailed specifications and estimates of cost have yet to be considered, the annual outlay figures in the schedule are provisional.

(e) See paragraph 149. Mineral development expenditure also included.

(f) *Nitrogenous fertiliser factory:* A final decision on this project awaits the result of the detailed examinations at present being made. The annual estimates which, in the circumstances, are only tentatively included in the schedule, are to be regarded as rough approximations.



# APPENDIX II

ESTIMATE OF PUBLIC CAPITAL PROGRAMME, 1959/60—1963/64, INCLUSIVE OF  
ADDITIONAL EXPENDITURE PROJECTED IN APPENDIX I.

£ MILLION

	1959/60	1960/61	1961/62	1962/63	1963/64	TOTAL
1. <i>Building and Construction</i> (Housing, sanitary services, schools, etc. See also 2 and 3) ... ..	15.23	15.02	18.97	18.07	12.50	69.78
2. <i>Ports, Harbours and Airports</i> ...	1.65	1.55	1.60	1.65	1.40	7.95
3. <i>Tourism:</i> (Hotels, resorts, etc.; port facilities included at 2) ... ..	0.30	0.35	0.45	0.60	0.85	2.55
4. <i>Agriculture:</i> (Voted capital services, fertiliser subsidy, arterial drainage) ... ..	7.46	7.90	8.60	7.20	8.50	37.66
5. <i>Agricultural Credit</i> ... ..	0.90	1.45	2.10	2.85	3.70	17.00
6. <i>Forestry</i> ... ..	1.00	1.00	1.00	1.00	1.00	5.00
7. <i>Fisheries:</i> (Harbour development included at 2)	0.40	0.50	0.50	0.55	0.60	2.55
8. <i>Fuel and Power</i> ... ..	8.74	8.58	7.18	5.74	5.80	31.82
9. <i>Telephones</i> ... ..	1.65	1.95	1.95	1.95	1.96	9.45
10. <i>Transport:</i> (Railways, shipping and air services. See also 2) ... ..	1.57	0.83	1.03	1.02	1.62	5.52
11. <i>Industry:</i> (Steel, fertiliser industry, industrial grants, extension of activities of State- sponsored bodies, research, etc.) ...	0.80	3.10	3.40	4.35	4.85	16.30
12. <i>Industrial Credit</i> ... ..	3.50	3.50	4.00	4.00	5.00	20.00
13. <i>National Development Fund</i> ... ..	0.50	0.46	—	—	—	0.96
TOTAL CAPITAL INVESTMENT BY PUBLIC AUTHORITIES ...	41.03	44.49	45.81	43.93	44.47	220.44
Deduct—Capital expected to be provided by public bodies from internal sources ...	3.24	3.28	3.84	3.99	4.85	19.70
Net amount to be financed from Exchequer and non- Exchequer sources, ...	38.45	41.21	41.97	39.99	40.12	201.74



ses of the Oires



# APPENDIX I

Summary of Public Land Sales, 1900-1909, by State, Territory, and Possession, and by Department, Bureau, and Office.

TABLE I

	Department	Bureau	Office	Total
1. Selling and Leasing				
Land for Homesteads, etc.	1,000	1,000	1,000	3,000
2. Other Sales and Leases	100	100	100	300
3. Timber	100	100	100	300
4. Grazing	100	100	100	300
5. Water	100	100	100	300
6. Mineral	100	100	100	300
7. Other	100	100	100	300
8. Total	1,400	1,400	1,400	4,200
9. Selling and Leasing				
Land for Homesteads, etc.	1,000	1,000	1,000	3,000
10. Other Sales and Leases	100	100	100	300
11. Timber	100	100	100	300
12. Grazing	100	100	100	300
13. Water	100	100	100	300
14. Mineral	100	100	100	300
15. Other	100	100	100	300
16. Total	1,400	1,400	1,400	4,200
17. Selling and Leasing				
Land for Homesteads, etc.	1,000	1,000	1,000	3,000
18. Other Sales and Leases	100	100	100	300
19. Timber	100	100	100	300
20. Grazing	100	100	100	300
21. Water	100	100	100	300
22. Mineral	100	100	100	300
23. Other	100	100	100	300
24. Total	1,400	1,400	1,400	4,200
25. Selling and Leasing				
Land for Homesteads, etc.	1,000	1,000	1,000	3,000
26. Other Sales and Leases	100	100	100	300
27. Timber	100	100	100	300
28. Grazing	100	100	100	300
29. Water	100	100	100	300
30. Mineral	100	100	100	300
31. Other	100	100	100	300
32. Total	1,400	1,400	1,400	4,200
33. Selling and Leasing				
Land for Homesteads, etc.	1,000	1,000	1,000	3,000
34. Other Sales and Leases	100	100	100	300
35. Timber	100	100	100	300
36. Grazing	100	100	100	300
37. Water	100	100	100	300
38. Mineral	100	100	100	300
39. Other	100	100	100	300
40. Total	1,400	1,400	1,400	4,200



ses of the Oires







11/11

4796

PÁIPÉIR ATÁ LE TÍOLACADH DON DÁIL-AGUS-DON-SEANAD-  
PAPERS TO BE PRESENTED TO THE DÁIL-AND-SEANAD-

1. An Roinn atá ag déanamh an tíolactha  
Department making presentation ...

The Government

2. Teideal an Pháipéir atá le tíolacadh ...  
Title of Paper to be presented ...

Programme for Economic Expansion

3. Más do réir Reachta atá an tíolacadh á  
dhéanamh, luaitear Teideal agus Alt  
an Achta a údaraíonn an tíolacadh ...

If presented pursuant to Statute, state  
authority for presentation, giving Title  
and Section of Act ...

4. Más gá é bheith ar taispeáint ar an  
mBord ar feadh tréimhse áirithe,  
luaitear :

If required to be on the Table for a  
specified period, state :

(1) An tréimhse ...  
Period ...

(2) Cé acu tréimhse de laethe siosóin nó  
de laethe suí í ...

Whether days of session or sitting  
days ...

5. An gá tairiscint ag lorg aontuithe gach  
Tí? ...

If motion of approval by each House  
necessary? ...



Sínte  
Signed...

Ceann na Roinne.  
Head of Department.