

Symposium on Economic Development

Friday, May 1st, 1959.

1.—CONTRIBUTION BY DR. L. Ó NUALLÁIN

I must, at the outset, congratulate Mr. Whitaker on succeeding, where others have failed, in arousing the authorities, both Governmental and Departmental, to the urgent necessity for a systematic programme of economic development and the importance of forward thinking in the formulation of financial and economic policies. One can only hope that the publication of "Economic Development" will meet with a similar measure of success among those that control or direct the banking, commercial, industrial and agricultural activities of the nation.

The general outline of our economic position today, referred to in Chapter 2 of "Economic Development", makes for familiar, if gloomy, reading to the members of this Society, and need not be recapitulated here. It serves, however, to frame the background against which we must assess the recommendations and proposals for Irish economic development contained in the three documents¹ which are under discussion here tonight.

Many of the recommendations and proposals will, generally, be found acceptable, as far as they go. They are in no way revolutionary and represent the very minimum required in the way of stimuli for a more rapid rate of development of our economy.

If I appear, in my remarks, to dwell at greater length on "Economic Development" at the expense of a consideration of the Advisory Committee's Report and of the White Paper, I seek justification in the wider scope of the first-named document, as compared with the other two, in its overlap with much of the second document, and in my preference for dealing with the substance of the first rather than the shadow contained in the third document.

The time factor alone prevents me from discussing here all the recommendations and proposals on which I have some doubts or misgivings and I must confine my comments to those relating to the agricultural and industrial sectors of the economy. Other speakers, I hope, will discuss tourism, fisheries and forestry. In passing, I wish to refer very briefly to just two topics that come under close examination both in "Economic Development" and in the Advisory Committee's Report, namely, "social investment" and what is described in both documents as "acceptability of living standards".

There is a tendency in some quarters to look with disfavour on the expenditure devoted to social investment carried out in the Republic during the course of the past two decades, and especially since 1945. That tendency is reflected strongly in "Economic

¹ The documents referred to are :

"*Economic Development*", Department of Finance, November 1958 (Pr 4803),
"Third Report of the Capital Investment Advisory Committee, June 1958 (Pr 4468),
"Programme for *Economic Expansion*", November 1958 (Pr 4796)
all published by the Stationery Office, Dublin.

Development" (para. 30), to a lesser degree in the Advisory Committee's Report and echoed faintly in the "Programme for Economic Expansion".

This much may be stated in favour of that expenditure. In 1945, there still remained a good deal of unfinished business to be done, in the level and extent of our social infra-structure, a leeway to be overtaken, one inherited in 1922 and which had not been grappled with until the pre-war decade. The political and social climate in 1945 within the State and abroad, was such that it became essential, and in my view desirable, to resume the work of social investment commenced in the pre-war period. At times, social and political considerations override the purely economic considerations. The immediate post-war period was just such a time. No Government, no matter what its composition, could have done otherwise than was done at that time.

The real pity, in my view, is not that scarce resources were devoted to social investment but that we emerged from the war time years without a programme for planned economic development; save for an intensified housing drive and for the fuller utilisation of our turf resources. Both these projects were embarked upon presumably, in the main, from the viewpoint of their employment content. They were followed by investment in power development, transport and roads, hospitalisation and, very much in the rear, by school buildings.

In the event, more by accident than by design, we have provided ourselves with an infra-structure, both of a social and economic nature, at a cost in money terms that has been probably less than the amount which would have to be incurred if the provision of an infra-structure still lay before us. At the same time, the provision of that infra-structure enabled us to raise living standards to some degree, to retain at least a percentage of our people who may otherwise have been disposed to emigrate and to avoid social and political unrest, which in itself would not have been conducive to economic development. We now have an infra-structure which will suffice for the moment and leave us free henceforth to proceed with capital investment of a more directly productive nature, in terms of goods and services.

On the matter of the acceptability of living standards, the Advisory Committee considers that we must defer certain desirable forms of social investment in favour of productive investment (para. 50). Mr. Whitaker goes further and states that the possibility of economic progress scarcely exists *unless* the individual members of the community are realistic and patriotic enough to accept the standard of living produced by their own exertions at home, even if it should continue for some time to be lower than the standard available abroad (para. 13). Later on, in Chapter 3, he suggests that it may be necessary to accept, for a time, lower wage rates than those in Britain in order to ensure competitive costs per unit of output (para. 14).

The position may well be that as described by Mr. Whitaker but our people are *not* obliged to accept appreciably lower living standards or wage rates than those prevailing in Britain. Neither, at the present time, are they patriotic enough to do so. They find a solution

to the problem by emigrating. And that precisely is the national problem. The free movement of Irish labour between the two countries and the "demonstration" effect of the British economy on our community here constitute just two of the obstacles to economic development in this country. They must be accepted as such and our plans must be framed in full recognition of that fact. Only at a time of a great national resurgence of patriotic feeling will our people freely consent to a pegging down of living standards and of wages. There is no sign of such a resurgence at the moment; even on the horizon. If and when it comes, the people may accept a temporary deferment of further instalments of social investment and wage freezes, provided the position is explained to them in down-to-earth terms, and provided also that they see some tangible results in the shape of increased economic activity and signs of economic progress.

The conclusion that emerges from Mr. Whitaker's assessment of our development resources and needs is, that at best, we need not hope for more than a yearly average of £50 million of monetary savings over the next five years. That amount will only suffice to support the present level of investment, both public and private; that is, without recourse to our external assets or to loans from abroad. But, as he points out, present levels of investment are not enough to bring about that expansion in our economy so essential if we are to raise the average standard of living, provide additional employment and cut down the rate of emigration. I think he succeeds in demonstrating that domestic savings will not provide the additional capital required for expansion. It is clear that we must look to other sources of capital, to our external assets, to external borrowing and to investment here by externs in the shape of industrial undertakings. His suggestion that suitable domestic assets might be accepted as backing for future issues of our Legal Tender Notes and thus free external reserves to the extent of some £3½ million per annum, is timely and has, I am glad to note, been accepted by the Government.

As economic expansion gets under way under the stimulus of additional capital investment it is to be hoped that Irish citizens will be induced to repatriate some of their external holdings for investment in credit-worthy and directly productive projects at home. In the meantime, the capital required for productive investment on the scale necessary will have to be sought from the international lending institutions. I see no dangers to our national sovereignty nor any derogation of our national prestige in making such borrowings, provided normal precautions are taken.

Mr. Whittaker tells us that one aim of his study is to highlight the main deficiencies of the Irish economy. So far as one reader is concerned, he has succeeded in that aim.

In chapters 5 to 12 we are given a most penetrating and realistic analysis of the present state of Irish agriculture. The chapters on "Grasslands" and "Cattle" are frightening in their implications. Reading the long list of deficiencies and shortcomings revealed in these two chapters, one wonders whether it is the Department of Agriculture or the Irish farmer that must shoulder responsibility for an appalling degree of inefficiency. Perhaps it is

the lack of receptivity on the part of the average Irish farmer that is to blame, but certainly the Department has had singularly poor results for its efforts since 1901 to improve farming techniques in this country.

With the leading rôle in the proposed development programme allotted to grassland management and to increased cattle production we come full circle back to the agricultural policy favoured by our first native Government and by our first Minister for Agriculture, Mr. P. Hogan. This is understandable, of course, in view of the predominant position that cattle and cattle products still occupy in our total of domestic exports. It is only common sense that so long as we are engaged in cattle raising and to the extent that we do, we should endeavour to do so in the most efficient manner open to us. It is quite clear from Mr. Whitaker's study and other evidence that we have failed to do just that for decades, that our grasslands have been, and still are, badly managed and carrying below potential capacity.

It appears to me, however, that there are certain dangers attached to the proposals for an expansion of the store cattle trade as opposed to beef and dairy cattle. In the first instance, they are very much influenced by short term considerations, such as the current pattern of our foreign trade, the current prices for our store cattle in the British market and the current unprofitability of other sectors of our agriculture; those engaged in the production of pig meat, poultry and dairy products. The question also arises as to what will be the effect on the small farm economy: will such holdings be in a position, either financially or physically, to carry the additional stock of livestock envisaged, once the first flush of enthusiasm for readily obtainable loans has faded away?

I do not think that we should disregard too readily the conclusions that have emerged from the Farm Surveys, even though admittedly they are limited in scope and cover only a few years.

Another possible danger is that the increasing emphasis to be placed henceforth on the production of live cattle for export may divert attention from the important problem of raising productivity in other branches of our agriculture, especially in dairy farming. Should that happen, the result of all our endeavours during the course of the next five years may well be an even greater imbalance in our farming structure, an even greater lack of diversification in the composition of our agricultural exports and an even greater dependence on one product—store cattle—and on one market—Britain—than ever before. Such a dependence could only lead to an intensification of present weaknesses and lack of flexibility in our agriculture, and indeed, in the entire economy.

It appears to me that some decisions that have been taken in the past in the determination of our agricultural policies have been founded on inadequate or out of date information. A case in point, I think, is the decision taken to discontinue Section B of the Land Reclamation Project on the grounds that the cost has been uneconomic. Yet in paragraph 12, chapter 12 of "Economic Development" we read that "no detailed analysis of the economic returns from expenditure under the Land Project has ever been

made." One would like to know to what extent land reclamation carried out here since the war has formed part of a long term planned project or to what extent it has been a short term expedient? Or the degree of efficiency with which it has been carried out by the private contractors under Section B?

Despite the foregoing doubts on certain aspects of the recommendations put forward for the development of agriculture, I share the view expressed both in "Economic Development" and in the Advisory Committee's Report that Agriculture offers the quickest and readiest means at our disposal for initiating a "take off" into self sustained economic expansion, and thereby raising the volume of gross national product and real per capita income of the community. Any programme for economic expansion, in the context of our conditions, must be based primarily on agriculture, and must take the form of a drive for increased output at competitive prices. This calls for increased productivity per man engaged and per acre of agricultural land and for production with the least degree of subsidisation possible.

An expansion in production, a rise in productivity levels and the disposal profitably of the increased output, holds out hope of a break through the basic vicious circle of "low real income—low savings—low investment—low productivity—low national product—low real income" which constitutes a barrier to our economic growth.

Expansion in agricultural output and in productivity, which could be achieved in a comparatively short period of years, provided we apply ourselves with determination and intelligence to that task, should stimulate expansion in other sectors of the economy. But neither increased output nor increased productivity in agriculture by themselves will provide sufficient additional employment to absorb fully the surplus labour on the land and the annual flow of new recruits into the Irish labour market: for that we must look to our manufacturing industries. Concurrently, therefore, with a drive for expansion in agriculture, we must intensify our efforts for a greater degree of industrialisation in the economy.

It is generally accepted nowadays that the State can do much to speed up the process of industrialisation through a variety of means: fiscal incentives, credit policies, tariff protection and, in general, by improving the environmental background in which private enterprise operates. All these means have been tried by successive Governments over the years, and with a certain measure of success. But an extension and, in some respects, a modification of these means, are obviously needed. Well considered recommendations to that effect have been put forward in "Economic Development" and now appear as proposals in the "Programme for Economic Expansion". Credit will be made available on a wider scale and on more liberal terms. Lack of capital will not, henceforth, it is claimed, be the barrier that it may have constituted in the past. It is here that we reach the crux of our problem of increasing industrialisation in our economy. Our biggest obstacle is not so much capital nor technical knowledge, both of which may be imported, but in the supply of ideas for productive and profit-

able enterprises, of an adequate force of able and experienced enterprisers, innovators and managers, and of a skilled and semi-skilled labour force. Ideas can only fructify in an atmosphere of confidence and forward thinking and may be stimulated by contact with other and more progressive economies. Our manufacturers, our experts in various fields and indeed our public men, should travel around more and see what is being done in other countries, particularly in small countries like Denmark, the Netherlands and Switzerland. They should find the experience both salutary and rewarding. If private enterprise, whether native or foreign, cannot supply us with the expansion of industry so essential to the raising of living standards and average per capita real income, I see no alternative to an extension of the activities of State assisted bodies into the field of manufacturing industries, even if for an interim period, after which certain of the newly created enterprises may be leased or sold to private interests. Opinions may differ as to whether or not the "Programme for Economic Expansion" is the programme best calculated to rectify the imbalance in the economy and to provide the initial push into economic expansion.

The fact remains, however, that its very publication as an outline, even, of the proclaimed intentions of the Government in the economic field for a period of time longer than the customary budgetary prognostications, is in itself a welcome step forward. It is an indication that the Government and its advisers have accepted the view that in these days even a minimum amount of forward planning on the part of the State in economic matters is essential to the smoother working of the economy. The publication of a programme is one thing, but the harnessing of public opinion behind that programme, and its implementation, is quite another and more difficult task. Up to the present, and outside of limited circles in Dublin, the impact of the publication of this programme on the general public has been extremely limited. In this respect, the authorities could take a lesson in mass communications from that much abused sector of the business community, the publicity and advertising agencies.

Incidentally, it is no selling point to inform the public that the implementation of the programme will lead to a doubling of the real national income after 35 years. What the public is interested in are employment figures and production targets. No such aims are put forward either in "Economic Development" or in the White Paper. I quite agree that the setting up of fanciful and unattainable targets would do more harm than good, yet economic development can only come about if the public are prepared to co-operate with the efforts being made by the Government to stimulate development. Something more tangible, and at the same time more imaginative, than that appearing in the White Paper is necessary to rouse the enthusiasm and good will of our people and to shake off that mood of despondency and lack of confidence that has settled on the nation, and in particular on the younger generation, in recent years. An understanding of mass psychology and public relations is what is required nowadays of our legislators and not an absorbed interest in electoral reform.

One reason, I suspect, for the absence from the White Paper of

production targets is not the one advanced in paragraph 5 but that there are many aspects of the economic and social life of the country on which we have little or no statistical information. Hence, in the White Paper, we are presented with nothing more than an exercise in preliminary planning.

The Government is relying heavily on private enterprise to make the biggest contribution towards economic expansion, according to the White Paper (paragraph 6). That being so one would welcome an indication, even in outline, of some of the plans and proposals of our manufacturing and commercial interests for expansion and development in the immediate years ahead. Let us hope that they will be responsive to the needs of the times and that the proposal of the Government to make available £17·5 million in the form of additional credit facilities for industrial projects during the next five years will be fully availed of.

Some critics of the White Paper have already commented on the minor rôle allotted therein to development in the field of education. And there are grounds for that criticism. A good deal of our weak economic performances can be attributed to deficiencies and inadequacies in our educational structure, much more than is generally realised. The key to the solution of some of our economic and social problems lies in the improvement and extension of that structure. In our particular circumstances, I consider that investment in education, with special reference to agricultural research, education, advisory and information services and also technical training in the field of industry and commerce, can be classified under the head of productive rather than social investment. In the light of the present condition and modest achievements of our agriculture, I do not think that the proposals, mainly administrative in character, advanced in the White Paper (paragraphs 52-54) will bring about any appreciable improvement in the present situation. The problem of the communication of the results of modern agricultural research and of better farming techniques calls for much more thorough study than it has hitherto received in this country. Nothing short of a drastic shake-up of the entire agricultural advisory services will bring any worth while results. It will also be necessary to review the facilities available to the rural community in the field of general education and to examine in this regard the range and content of the courses of instruction offered by the rural vocational schools. In these schools we have a medium of communication of ideas and instruction which, I think, we are not utilising fully or to the best advantage.

So far as technical training for industry is concerned the proposal to spend £1·6 million over the next five years on research, efficiency, productivity and technical training, must be welcomed, as also the decision to participate in the activities of the European Productivity Agency. Presumably, the term "research" includes market research. I think it will be subsequently discovered that the amount of £1·6 million indicated will be found to fall short of our requirements. The provision of Government training centres for skilled and semi-skilled workers in various new fields of industry might also be considered. A start has already been made in

some directions, such as training courses for hotel workers and for fishermen.

In the field of technical training and in the application of scientific research to industrial problems we have a considerable leeway to make up before we catch up on even the smaller countries in Western Europe. The establishment of the Institute for Industrial Research and Standards and the Irish Management Institute were all steps in the right direction, but we are still only scratching the surface in this field.

Neither Mr. Whitaker nor the Advisory Committee displays much enthusiasm for decentralisation of industry, although the Committee does recognise the claims of social policy in this regard (paragraph 45). I am not quite clear what is meant by the references in "Economic Development" to "remote areas". I am aware that to the true Dublin man any place west of Lucan approaches "remoteness" and that beyond Kinnegad one ventures into the unknown. But distances in this country, from East to West, are not so great as to render the siting of the modern type of light industry in localities west of the Shannon an uneconomic proposition. As a matter of fact I do not think we know very much about the costs involved in locating industrial plants in one part of the country rather than another. Transport costs may be a deterrent but they represent only part of total costs. As against that we have the social and economic costs arising out of the growth in the concentration of population and industries in certain built up areas, such as Dublin.

I am quite aware of the economic advantages of the location of new industries in the Dublin district and along the east coast, when the British market is in mind. But if we are looking for export markets for our manufactured goods further afield, say, on the Continent, the United States, West Indies, Africa and the Middle and Near East, all developing regions that should offer scope for increased sales of Irish produce, the economic disadvantages of placing new industries outside of the Dublin area may not be so great as is generally thought. The three ports of Sligo, Galway and Limerick offer a way of cheap transport; both for the import of raw materials and for the export of finished goods, which have not yet been fully exploited or investigated.

It will be argued, no doubt, that our scarce resources of capital, technical knowledge, entrepreneurial and managerial skills and abilities should be concentrated in that area of the country—the Dublin area—that is already relatively developed in the industrial field, rather than they should be spread thinly over the entire State. It will be said too, that as the economy expands in the east prosperity will spread to other areas in the country. It may well take another decade or more for such "spread" effects to make an impact sufficient to arrest the decay in the western half of the country. But the situation in that half of the country cannot wait that long for even a partial solution. There is a serious social and economic problem involved in the mass exodus of thousands of young men and women from the western half of the country, an exodus that gathers momentum with the passing of the years.

Other countries have their problems of underdeveloped areas; Brittany and the south-west in France, Bavaria, Schleswig-Holstein and Lower Saxony in Germany, West Flanders in Belgium, even in Denmark and the Netherlands, while we have the classical example of an underdeveloped region in Southern Italy. All of these countries have or are preparing plans for the development of their less developed areas. We should be no exception. Any plan for the economic development of the Republic of Ireland should contain special provisions for the development of our underdeveloped area, the entire region west of the Shannon, just as the Vanoni Ten Year Plan for Italy provides for the development of Southern Italy.

For many decades, capital and labour have been drained from Connacht to the east and to Britain. In addition, and as a consequence of the lack of development in the western areas, enterprise and initiative have deserted these areas for Dublin and the east and also for Britain and overseas.

Future generations of Irishmen will not look back with gratitude on the present generation if our only contribution to the progress of the nation is an intensification of the concentration of population, wealth and prosperity in the Dublin area, leaving a hinterland stretching from the borders of Meath to the Atlantic, an empty hinterland of managed grasslands carrying to full capacity but devoid of prosperous and thriving communities.

Consequently, I think that the Government were correct in not adopting the line of policy advocated in "Economic Development" with regard to decentralisation of industry. But that does not mean that we should not take another look at our present methods of securing such decentralisation. Instead of endeavouring to locate a factory in every little town in Connacht, better results may be got from a more selective application of the policy of decentralisation. Far better, I think, to select five or six centres, of which Sligo and Galway would be two such centres, as potential industrial nuclei, which would constitute strategic growing points from which an impulse towards economic growth would spread to the surrounding districts.

It may be necessary also to reshape the constitution of An Foras Tionscal, to attach to it a planning unit concerned with the study of location problems, and to prepare the way for the emergence of An Foras as a Western Development Authority.

A few years ago, the present British Prime Minister, Mr. Macmillan stated that in attempting to do his job (then as Chancellor of the Exchequer) with the statistical information available to him, he felt himself to be in the position of a traveller looking up trains in last year's Bradshaw. I submit that anyone engaged in making a study of the conditions and potentialities of the Irish economy must find himself in the position of "making do" not only with an out-of-date Bradshaw, but one that contained many blank pages!

As I have already remarked, there are areas in the economic and social activities of the nation of which we know very little. The part played by non-economic factors, such as the attitude of our people to material progress, our disinclination to apply ourselves

to a given task, to persevere with it until completion and to complete a task with thoroughness, are all matters of a social and psychological nature which have a bearing on our economic activities and progress. These and associated matters have received little attention or study in this country so far. In this connection, the economic and social survey at present being carried out in County Limerick by Muintir na Tíre may provide us with some very useful information. It is very important, even in the formulation of plans for economic development, to try and ascertain what it is that makes people tick in the way they do and to learn, not so much what they say on certain material questions, as what they really think and why.

There is a great need for objective and scientific studies in this field and also for a study of our economy from an overall view, to be carried out by a group or body removed from departmental or governmental influences, and if considered desirable, outside of University circles. In any case, the Universities have not the facilities or the necessary staff to carry out such studies. A notable omission from the growing number of institutions and organisations concerned with promoting the economic and social life of the country is something in the nature of an Economic and Social Research Centre, which could carry out studies on the problems I have referred to.

However, a Government cannot wait for perfection. It must formulate its programme in the light of existing information, supplementing and adjusting that programme according as fresh and more accurate information becomes available. Therefore, while conscious of its shortcomings and being aware of some of the reasons for these, I feel that we cannot but welcome the publication of the White Paper as a step forward towards a regeneration of the economic and social welfare of the nation; provided of course that no time is lost in putting into operation the proposals as outlined and a disposition shown towards welcoming frank, non-partisan and open discussion which has as its objective the improvement and supplementing of the original proposals wherever possible.

II.—CONTRIBUTION BY DR. R. D. C. BLACK

The various recent publications on the subject of economic development in Ireland are unanimous in stressing that such development must ultimately depend on the people possessing the will to prosper, and carrying this into effect by means of hard work. Yet it must be admitted that at present such attitudes are not much in evidence in this country. "There is everywhere a strong desire for security and an unwillingness to bear the risks that are inseparable from economic progress" (Capital Investment Advisory Committee, Third Report, para. 36).

It is now twenty-five years since Professor Allan G. B. Fisher made familiar the idea that economic progress is impeded by resistance to change. The clash of progress and security is a fairly general phenomenon, but it would seem that in Ireland it is more

marked than in many Western societies. Why is this? The Capital Investment Advisory Committee cautiously say that "the cause is uncertain"; no doubt this is so, but it seems to me that it may be worth while to investigate the matter a little further, for in doing so I believe we can throw some light on the problems and possibilities of future economic growth.

In his study on "Economic Development", the Secretary of the Department of Finance quotes the following passage from a recent article by the Bishop of Clonfert: "Our version of history has tended to make us think of freedom as an end in itself and of independent government—like marriage in a fairy story—as the solution of all ills. . . . We seem to have relaxed our patriotic energies just at the time when there was most need to mobilise them . . . we have shown little initiative or organisational ability in agriculture and industry and commerce." (Quoted in Pr. 4803, par. 21). I would go further than this and suggest that the movement for national independence led to the development and acceptance of ideas which were definitely, though not always consciously, opposed to rapid economic growth.

From the time of Thomas Davis and the Young Irelanders, nationalist thinking was strongly influenced by the romantic movement, and to patriotic thinkers the calculating rationalism of economists was abhorrent; Adam Smith and Malthus were anathema to them. Hence many of the pioneers of the national movement tended to ignore economic facts altogether, and to dismiss economic problems after the manner suggested by the Most Rev. Dr. Philbin in the passage just quoted, as matters of secondary importance, which could easily be dealt with after independence had been gained. When they did treat specifically of economic matters, however, the type of economy which they visualised as desirable for Ireland was what might be termed a "status" economy, rather than the economy of free competition and contract which English writers of the nineteenth century commonly extolled. This is most noticeable—and, at the same time, most understandable—in matters of agriculture, where security of tenure for the existing cultivators was the first and most fundamental principle of their thinking. It was not generally associated with any clear consideration of how many people the land could support in this way, or at what standard, but it was commonly assumed that those who were not employed on the land could readily be absorbed in industries catering for the home market and fostered by protection.

Such an economy would be primarily adapted to provide security rather than rapid progress, and it could support a large population only at a fairly low standard of living. If the mass of the population were only accustomed to such a low standard, or attached comparatively little importance to material welfare in relation to other values, then an economic policy of this kind might seem sound and reasonable. And, of course, a century or so ago the mass of the Irish people were accustomed to a very low standard of living, while the natural tendency of patriotic thinking was to set a higher value on political freedom than on material advancement. By the time that national independence was achieved, the economic and social ideas associated with nationalism had become

a settled pattern, already effective in the determination of policy, especially in the field of land tenure. Since that time the very fact that these ideas were promulgated by the early champions of the national movement has tended to prevent objective re-appraisal of them.

In the intervening years the Irish people have ceased to be content with a low standard of living, and they have not shown themselves notably more disposed to forego material comforts for the sake of less tangible values than have other European peoples. Thus the situation has arisen that policies tending to promote economic security have been endorsed over a considerable period, during which the fruits of economic progress have been sought for, and to some extent obtained. If we recognise that the establishment of security creates obstacles to economic progress, then it appears that Ireland has been involved in a contradiction, simultaneously pursuing two incompatible objectives. The maintenance of this contradictory position has been made possible by the existence of the emigration outlet. Given the possibility of easy labour transfer to more developed economies, a proportion of the population here can establish themselves in positions of social security at acceptable standards, while those who cannot do so and will not accept lower standards seek out opportunities in other countries.

If this state of affairs is no longer to be tolerated, then the choice which it has for long enabled Irishmen to evade must be squarely faced—the choice between security with a generally low standard of living and the vigorous pursuit of economic progress, with all the risks and shocks which that implies. In effect the choice has already been made, for Irishmen have plainly shown that they want the fruits of economic progress, and economic expansion has become an accepted aim of Government policy.

The need for economic expansion, then, is generally accepted; but I am not so sure that its implications are generally understood. It is very easy to say that the situation requires new attitudes and new enterprise, but it is likely to be very difficult to change ideas and customs which more than one generation has been taught to revere. There can be no doubt that the courses of action which rapid economic development will require must frequently clash with ideas and positions which have become hallowed by tradition. The advocates of economic development must be prepared for this, and be ready to deal with such clashes fairly and in a clear-minded fashion. Speaking personally, I should be sorry to see Ireland following blindly along the paths of material progress beaten out by the "most advanced" nations. There are virtues in being a little behind the times, and I should hope that we have a sufficiently balanced sense of values to avoid such dangers. But I fear that the real temptation will be that of falling into the opposite error, sacrificing progress to tradition rather than *vice versa*. When the new policies which economic development calls for clash with vested interests, as they will, there will be many appeals to the authority of the old policies, and their authority is still great. "The maintenance of the national tradition" can be made a powerful and respectable excuse

for doing nothing; and here lies perhaps the greatest danger in Ireland's economic position. For it is not a position wherein ruin, or even serious hardship, can plainly be seen to lie; it contains only the germs of a kind of creeping paralysis, which is not obviously painful. Hence the temptation to continue in the old ways is great.

"It would be well," writes the Secretary to the Department of Finance, "to shut the door on the past, and to move forward energetically. . . ." (Pr. 4803, para. 21). Undoubtedly; but to do so in Ireland will not be easy. There is a real danger that the ideas of the past will continue to act as a brake on progress in the future. They should not be allowed to do so, and those who may appeal to them should be reminded of another comment in the study prepared by the Secretary of the Department of Finance: "The policies hitherto followed, though given a fair trial, have not resulted in a viable economy." (Pr. 4803, para. 4).

III.—CONTRIBUTION BY S. F. THOMPSON

Static population, low income per head, slow growth of development, with heavy net emigration, are the obvious symptoms of Ireland's inability to surmount her economic disadvantages. They have continued to perplex the average person and for this reason the publication by the Government of its White Paper "Economic Expansion", "Economic Development" and the third report of the "Capital Investment Advisory Committee" are both opportune and timely.

These are important documents, particularly "Economic Development", for which we are indebted to the Secretary of the Department of Finance who prepared the comprehensive and coherent study in concise, clear and readable language; and for the blunt analysis of the causes of our economic ills, an analysis in which the Government in its White Paper has shown realism in facing the facts. All three publications are agreed on the pressing need for increased productive investment—such differences that do arise are rather of omission and emphasis in the various sectors—remembering that the Capital Investment Advisory Committee terms of reference confined them to investment in the public sector.

Expression of the problem has been crystalised in our slow rate of growth in real National Income compared to other countries between the years 1949-1956. The increase for Ireland being 8 per cent. against 21 per cent. Great Britain, and over 40 per cent. for Western Europe as a whole, in the same period. Further and more alarming, the most recent years show rates of growth increasingly divergent between Ireland and Western Europe.

This divergency has been caused by the relatively slower rates of increase in both Industrial and Agricultural outputs. Industrial production here has only expanded at half the rate of Western Europe between the years 1949-1956. Agriculture has lagged even further behind the comparative rate, being only slightly over one-third.¹

¹ *Economic Development* — page 11 para. 6.

However, even in Western Europe this problem is not entirely confined to Ireland. Italy, a member country of the Common Market, has similar difficulties within herself. The average income of the agricultural south is becoming increasingly divergent from that of the industrial north.² Coupled with the already low productivity in agriculture and its importance to our economy, this contrast is given priority of place and extent of analysis in both "Economic Development" and the White Paper.

It is of course not possible to comment in this symposium on many aspects of the White Paper, yet speaking as one connected with industry, I would like to make some broad observations on the recommendations dealing with agriculture.

I would have to agree that it is essential to break out of the average low production high cost cycle in agriculture which persists at present, and that this means financial assistance in the greater use of fertilisers, selective breeding, training, marketing, etc. That this State aid for agriculture should reach to £20 million per annum is, however, a formidable impost.

Nevertheless, it is well to reflect in the nineteenth and early twentieth centuries, when personal incomes were not subject to heavy taxation, many farming developments were financed and subsidised by transfers of personal income. Today the position is changed—personal taxation is so high that it is no longer feasible to so subsidise farming, and Governments are thus compelled for this and other reasons, to make available to farmers various forms of assistance, but distributed more effectively in accordance with democratic and social development. This redistribution has not always been so evident or so large as it is today. The low productive development of Irish farming may well be due, in part, to a deficiency of early industrial income during the last century.

We are already one of the best if not the best fed nation in the world in terms of calories and dietary level. With our static population this means that the main market for additional agricultural output must lie in exports. There is, however, no automatic market for our products—adjacent countries press forward towards greater self-support in foods.

The degree to which Western Europe (O.E.E.C. countries) has become less dependent on imported foods is quite striking. Prior to World War II their imports represented one-quarter of their domestic production, in 1957 the proportion had fallen to one-sixth despite a 14 per cent. population increase in the meantime.³

This means that we have to be both selective and competitive in the export of our agricultural products, although the bulk of our exports continue to be marketed in Great Britain where the drive towards self support, assisted in many cases by subsidies, has largely been made possible by greater productivity.

It appears to me that the programme for the improvement of grass representing 85 per cent. of our agricultural land is funda-

² Signor Manni, ex Prime Minister of Italy, *Observer* 8th March, 1959.

³ *Economic Survey of Europe* 1957, Chapter 4 page 10.

mentally sound, bearing in mind the climatic conditions of the country, and that land used for tillage is largely related to domestic consumption.

The intensive production of meat, through the greater use of grass fertilisers, stock selection and improved management could gain competitive advantage against the extensive system practiced overseas. A further and most important consideration is that of all agricultural products, meat possesses outstandingly the greatest elasticity in demand related to the present and potential rising income standards of Western Europe.⁴ Processed vegetables would also seem to possess possibilities. This harmonising of our exports with the future need of the market is of paramount importance not only in Agriculture but in Industry.

Intensified Agricultural production alone will not solve the problem of increased rural employment. The fall in agricultural employment is likely to continue but at a less rapid rate than the 2 per cent. per annum over the last decade. Not until this heavy flow is arrested will our economic improvement be accelerated.

The degree to which this may be counter-balanced over the next five years poses the problem of the continued and concurrent development of industries to absorb these workers into productive employment.

To one engaged in industrial private enterprise, the most important statement is contained in paragraph 90 of the White Paper—

“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.”

This statement of policy is both an assurance and a challenge. An assurance, in that it is the Government's intention to promote the greatest freedom in the private sector for industrial development, a challenge in that it places the onus and responsibility on private enterprise for this development.

We have previously seen that the expansion of industrial production achieved in Ireland (1949-1957) was only half at the rate of Western Europe. In this average there are considerable degrees of difference. For instance, textiles here actually expanded at double the European rate over the whole of these seven years. An annual increase of 6·2 per cent. compared to 3·5 per cent. Perhaps in our comparatively new industrial development we can count it an advantage that we have not had the problem of rationalising declining industries such as cotton and linen. On the other hand, predominating disadvantages are our lack of metal-using and chemical industries which contributed quite outstandingly to Europe's growth during this recent period.⁵ Their annual rate of increase being double the average for all industries.

In both “Economic Development” and the White Paper great

⁴ *Economic Survey of Europe 1957*, Chapter 5 page 27.

⁵ *Economic Survey of Europe 1957*, Chapter 2 page 3.

emphasis is placed on the need for investment, domestic and foreign, to accelerate rates of industrial growth. To me the most important factors seem to be profitability, cost, technical know-how, and the market, given these investments, will follow. The shortage of capital on the supply side has been an effect rather than a cause.

There has been perhaps a shortage of risk capital due to the fact that, and here I cannot do better than quote from the third report of "Capital Investment Advisory Committee", paragraph 36—

"There is everywhere a strong desire for security and an unwillingness to bear the risks that are inseparable from economic progress. Perhaps this is due to emigration, weakening national confidence and taking from each generation many of its most venturesome members. The cause is uncertain but the fact seems to us clear. A great deal of energy is spent by many sections of the community in seeking to avoid the consequences of economic change. Security is to many people more attractive than progress."

And again, the same thought occurs in "British Economic Policy Since the War" by Andrew Shonfield⁶—

"Some people believe that stability is more important than growth. Some people positively dislike growth, especially economic growth, because it involves change, especially social change. One finds economists ranged predictably on the two sides of this argument, according to temperament."

To overcome this sort of inertia, encouragement is now being given to the greater profitability of investment by special export tax reliefs and finance backing for worthwhile projects.

A further problem of industry in this country is the higher cost associated with producing for a small domestic market. In an endeavour to enlarge the market, one engages in export, but may find that, in many cases, costs with inward and outward freight are too high to allow competitive trading.

I do not think sufficient emphasis has been placed on the necessity for lower industrial costs in either "Economic Development" or the White Paper. In fact in the industrial chapters of both publications, emphasis is almost entirely on the need and methods for productive investment—whereas in the agricultural section the repeated emphasis is on the necessity for higher productivity and more competitive selling prices through lower costs.

In the final selling price, wage cost is an important element, influenced by labour conditions and wage rates. Sometimes it is thought that the high individual earnings associated with a country like Great Britain has an equalising effect. This is not so, as it is the wage rate and not the earnings that determine costs.

Some industries have already successfully competed in the export market. Where there have been no special advantages, it will be found that considerable investment content backs each worker. Usually the higher this investment the greater the efficiency and the lower the unit cost. In fact there is currently no evidence to

⁶ *British Economic Policy* — Andrew Shonfield page 11.

suggest that the economists' favourite law of diminishing returns applies to industrial capital in the present phase of technical progress.

The distinct difference between our two investment periods now becomes clear—formerly our slow development found sufficient but only just sufficient savings for its purpose. Now the White Paper plans to attract, encourage and develop new projects at a greatly increased rate, which in turn will necessitate increased rates of investment. The extra investment required is likely to be heavy, more than an increase in simple proportion as we move towards greater mechanisation, and even automation. If our new, and some established, industries are to become competitive, each worker in employment will be backed by many hundreds of pounds more investment than formerly.

To bridge this time investment gap foreign capital is encouraged by tax free reliefs, to set up export industries here. With it will come technical and productive skills, and the essential knowledge of the potential market. This should prove an effective expansionist policy over what the White Paper calls the vital next five years.

In our anxiety to encourage industrial expansion through the medium of inducements to attract foreign capital, we must be mindful of our duty to protect existing industries, which have been built from the resources of the country. We are sometimes too ready to confer privileges on a newcomer at the expense of established concerns. Let me explain—some twenty-five years ago the starting of new industries was encouraged by 20 per cent. income tax relief on their dividends. Many shareholders in older companies, who were then not entitled to this relief, are still at a permanent disadvantage, and likely to remain so. Now another class of investment emerges—no restriction on ownership—no public quotation required—complete tax free earnings (for 10 years), without any condition of ploughing back proportion of profits. This could encourage an undesirable form of investment, with little thought of permanency for the future.

Firstly then, if we want to assist new projects financially, it must not be to the detriment or prejudice of established concerns. Secondly, there should be an eventual equalising of investment tax rate in all industries. Whatever the merit of helping initial promotion, no group should be able to establish permanent privilege.

Looking ahead further than five years, we must endeavour to make good by education our lack of scientific, technical and other knowledge. The White Paper is strangely silent in this respect, although "Economic Development" make some specific recommendations.

I would like to suggest, however, that partial or total income tax reliefs on educational expenses be granted for recognised higher industrial studies, whether these be scientific, commercial, distributive or managerial. I believe a direct incentive to the individual will create a keen interest and an awareness of the value of higher skills and competence in every sphere. We are providing generous tax relief on current money investment, but what of the future investment in our people.

If we are to emulate the progress of Western Europe there is still some hard thinking ahead before the resultant hard work becomes effective. The White Paper has through its realistic approach helped to reawaken interest and re-establish confidence between Government and people. Its success depends on the continuance of these qualities.

IV.—CONTRIBUTION BY DONAL NEVIN

The White Paper "Programme for Economic Expansion" and Mr. Whitaker's study, "Economic Development", were issued at a time when there appeared to be some indications of the lifting of the clouds of despondency and pessimism which had been such a feature of the Irish scene over the previous couple of years. Indeed, it would seem that the preparation of the study on national development problems by the Secretary of the Department of Finance, from which the White Paper was almost wholly derived, was prompted by the prevalence of this mood of despondency and a feeling of insecurity for the nation's future.

The time was clearly opportune for a reassessment of our economic position and the drawing-up of a long-term plan of action which would give some assurance to our people of better prospects for the future and a hope of increased employment and higher living standards. It was with a similar object in view that the Provisional United Trade Union Organisation issued towards the end of 1956 its economic policy document, "Planning Full Employment". In that document an appeal was made for a planned approach to the problems of unemployment and under-investment and for the carrying out of a comprehensive plan of economic development involving an increase in capital investment and a greater emphasis on State action as a means of remedying our economic deficiencies.

In the circumstances, the publication of the two documents under consideration has served to focus attention on positive action to improve our position rather than relying on sterile exhortation or a dismal recitation of past failures. That, perhaps, is among their most useful contributions to the achievement of an expanding economy. The comments that follow are made in the same spirit.

In the course of a brief paper it would be impossible to discuss all the questions of policy touched upon in the two publications. I shall deal merely with certain aspects and even then in a very cursory fashion. In the nature of things, my remarks will be simply marginal comments.

Employment Aspect: The aim of economic development is not, of course, the provision of employment for the sake of employment. But the employment aspect must, in the context of the Irish situation, be regarded as of primary importance if our people are to be imbued with the will and the enthusiasm necessary to carry through a comprehensive development programme. While economists look to the trend in real national income and keep a weather eye on the balance of payments, trade unionists, for example, will

tend to ask: how many more jobs will be provided? The psychological implications of this approach should not be overlooked by the economists.

It might be "quite unreal to approach the question of development from the aspect of employment", as Mr. Whitaker states, "that is, setting out the number of jobs required and then attempting to plan how these might be created." But the alternative approach does not preclude making an estimate of the additional employment likely to be brought about. It is noteworthy that neither the White Paper nor Mr. Whitaker's study makes any effort to indicate, even roughly, the number of extra jobs likely to be available following the implementation of the proposals. This omission, however understandable to the economist fogged by so many imponderables and variables, is incomprehensible to many people and has probably detracted from the attention that these documents might otherwise have received from the general public. The setting of a target of £220 million for the public capital programme over five years does not convey very much to the average man, but an indication of the likely increase in employment would mean quite a lot and be much more likely to spark his imagination and arouse his interest.

While one realises the psychological dangers involved in fixing employment targets that might not be attained—the failure to do so being spotlighted by political opponents—one nevertheless feels that this omission is a serious weakness in the documents whose purpose, after all, is in large part to arouse the wholehearted cooperation of all citizens and to most of these the employment situation is the chief criterion by which they judge economic policies.

Investment: The need for a higher level of investment is recognised and particular stress is laid on the necessity for productive capital expenditure receiving priority in the investment programme. The distinction between productive and redistributive investment is fully dealt with in the Third Report of the Capital Investment Advisory Committee which concludes that "investment is the more desirable the more productive it is." This will be accepted by all and certainly the trade union movement fully recognises that it is productive investment that provides the basis for continuing employment. The emphasis on the need for henceforth according productive investment a higher priority in the capital programme might be interpreted, however, as suggesting that the concentration on social projects over the last decade was the result of a definite decision to give these priority over more directly productive projects. This surely is not correct. It is not at all certain that if these social investments had not been carried out, the capital would have been used for productive projects. Rather is it likely that it would have gone to swell our external assets. Certainly there does not appear to have been, nor is there, a queue of such productive projects waiting the provision of the necessary capital.

Mr. Whitaker states "there is no evidence that any really good project has hitherto been stifled through lack of capital" and so far as agriculture is concerned, it seems likely, to use Mr. Whitaker's

words "that the traditional reluctance of farmers to incur debt" has been the limiting factor here.

Since trade unions are sometimes regarded as seeking the expenditure of capital on any wildcap scheme so long as it creates some employment, it is perhaps well that I should make this point. The trade union document "Planning Full Employment", stated that "a balance between projects that are directly productive in economic terms and socially desirable projects must be maintained" and went on to say that "initially, it will be necessary to give a high priority to investments which may be expected to give a direct return, particularly in increasing exports." That was stated three years ago. But this, I should add, does not mean that should productive projects not be forthcoming or not be ready for implementation that any part of the nation's savings should be invested abroad rather than be used to finance necessary social projects.

Capital Resources: For a number of years discussion on economic development policy was dominated by the question of the availability of capital. It is, therefore, all the more disarming to be faced now with the position that there is not likely to be a shortage of capital but of productive ideas. Indeed, recent statements by Government Ministers have been more emphatic on this point than the study "Economic Development". It may be, as has been suggested, that on the question of the future supply of capital, the approach has been to make "optimistic assumptions". The level of savings is low by European standards. Yet an increase in the ratio of savings to income does not seem likely if only because of the trend in the demographic structure toward greater dependency. High fertility, large-scale emigration among the young age groups, lengthening expectation of life have resulted in a high ratio of dependents to earners by comparison with other European countries. It is obvious that the higher the proportion of dependents to earners, the more will be consumed of a given output and the less saved: a high level of dependency encourages consumption. Should our population continue to decline because of emigration, the problem will become more acute and the savings ratio might well decline.

Should current savings together with such external borrowing as may be feasible be insufficient to finance the investment programme, recourse should be had to our external investments. Mr. Whitaker considers that it would be "imprudent to base policy on the likelihood of owners being induced to sell sterling investments on a significant scale." That may be so but there is no reason why taxation or other methods should not be availed of to compel owners to dispose of these holdings should capital resources fall short of what is required to finance the investment programme. The trade union document, "Planning Full Employment", suggested the imposition of a special tax on income from external investments as well as a tax on any capital gains accruing from the disposal of any new foreign securities bought after a given date, in order to induce repatriation and discourage investment abroad in the

future. This might seem drastic but desperate situations require drastic remedies and the emigration of over three-quarters of a million of our people since the establishment of the State would be regarded by most of us as constituting a desperate situation.

Since the repatriation of external investments involves a deficit in the balance of payments and since the existence of such deficits is associated in the minds of some people with a critical economic situation, it is well perhaps to add that it is not suggested that our external investments should be dissipated in the importation of inessential goods. The Trade Union movement has accepted the need for controls to ensure that the balance of payments is not subjected to too severe a strain during the period of development.

The decision announced in the White Paper that future issues of legal tender notes should not involve an addition to the external reserves of the Central Bank if there should be any scarcity of home capital for productive purposes is welcomed but should the need arise it is difficult to see why some part of the existing sterling reserve of the Legal Tender Note Fund should not be availed of to finance productive investment without any danger to the stability of the currency or a loss of confidence in it.

Public Enterprise: The more important break-throughs in the development of the Irish economy have come about as a result of State action and more particularly by the establishment of public enterprises which have made an outstanding contribution to our economic growth. There remains, however, a widespread attitude of antagonism if not of opposition towards public enterprise. Yet all the experience of the last three decades has shown that dependence on private enterprise can not bring about a solution of our economic deficiencies. The statement by the Capital Investment Advisory Committee that "we should welcome the setting up of new State enterprises in fields which private or co-operative enterprise is unable or unwilling to develop" represents a sensible attitude which one hopes will be translated into practical effect. (But, may one add in parenthesis, it is not necessary to wait a decade to find out whether private enterprise is able or willing to develop a project.)

There is vast scope in the export field, for instance, where State enterprise could, though perhaps with some risk, enter, in conjunction, it may be, with foreign marketing organisations. The absence of know-how or lack of technical experience should not be allowed to hold up such development in the public sector and the possibility of attracting, at whatever salary may be demanded, foreign entrepreneurial ability to initiate such export enterprises should not be overlooked.

Any restrictions on public enterprise entering any field of activity in which it can produce competitively, without subsidy, should be removed and in particular every encouragement should be given to public enterprise to enter the export field. It may be that new forms of public enterprise organisations need to be explored to successfully exploit prospects in this field, but is there any reason why we should not pioneer such new forms of organisation?

Research: It is brought home forcefully in Mr. Whitaker's study that productive ideas may well be scarcer than capital. It is, therefore, all the more surprising that greater emphasis is not placed in the White Paper on research which is dealt with in just four lines to the effect that the organisation of the Institute of Industrial Research and Standards will be reviewed and that additional funds will be made available. In this technological age large-scale expenditure on research is vital and it is disquietening that in relation to its overriding importance so little attention has been paid to this question. Even a limited expenditure of funds on research could pay off strikingly in terms of new employment. To quote the trade union document, "Planning Full Employment" :—

"Continuous and extensive research should be carried out into the possibilities of developing new industries and processes. Generous assistance should be made available by the Government towards all such research projects. Much depends on the spirit of innovation, inventiveness and initiative displayed by our engineers, technicians and scientists in seizing advantage of every opportunity that presents itself in the sphere of new developments in technology. They must, however, be given the opportunity to contribute towards these new developments and be provided with the facilities that will enable them to apply them here and thereby create new employment opportunities."

"The expansion of employment may well lie in directions at present unforeseen. Experimentation and research could open up new vistas for industrial expansion. That is why there must be the utmost encouragement and generous financial assistance for all lines of inquiry and research which might yield fruitful results and provide work for our people."

Planning: The final point I wish to make in this brief contribution concerns the question of development planning. The suggestion by Mr. Whitaker that a body should be set up for the purpose of studying and promoting development possibilities has a great deal to commend it while the suggested composition of such a body seems to me to be wholly admirable. I would wish that this idea be taken further and that a National Planning Board be formally constituted which would in effect be an economic general staff responsible for planning future economic development. Such a board could, where necessary, recruit experts through the appropriate international agencies. The board would not simply co-ordinate the activities of existing organisations, neither would it just wait for projects to turn up. Rather would its principal function be to produce ideas for future development and ensure that where these were practicable, they were carried into effect without delay.

This brings me to my concluding remarks. There is evidence of a new spirit abroad among large sections of our people. New ideas are being more readily examined, fresh approaches to long-standing problems are being explored.

The hopes that have been engendered must not be frustrated. Economic development must mean more jobs and better living. Otherwise the momentum of advance will be lost and cynicism and

despondency will again rule. Whatever deficiencies many of us may see in the various economic proposals that have been put forward over the last six months, the paramount question now is whether these proposals will be pursued with speed and vigour so that soon there is tangible evidence of progress. A quickening of the pace is imperative. Our position is too critical to allow of the leisurely pace that we have been accustomed to up to now.

V.—CONTRIBUTION BY P. O'KEEFFE, B.Agr.Sc.

Both "Economic Development" and the White Paper on "Economic Expansion" represent a most important development in the formation of Irish agricultural policy. They portray the creation of a policy based on technical and commercial facts rather than on tradition, sentiment or precedent. "Economic Development" in particular indicates the need for continuous study of the industry and for the promotion of new developments and the modification of existing policies in the light of ascertained facts.

Underlying this approach is an understanding that the economic development of Irish agriculture should not be entirely based on one crop or one product. Apart from the good commercial principle of spreading the risk, the variation in our soil and climate and the range of skill and aptitude within our people indicates that there is a definite economic weakness in depending on too limited a range of farm products. In particular the small size of many of our farms—i.e., small in comparison with the farm size in Britain and in the main meat exporting countries, suggests that high output per acre should be a consideration in expanding the production of at least some farm products.

Freedom to sell our extra production is also an important consideration, and in this regard it can be said that for most farm products our extra production will be for many years to come, but a small fraction of the total amount of food absorbed by the British and European markets. The establishment of a small but increasing niche for our products in these markets will depend on greater and more aggressive commercial enterprise helped by effective but flexible Government support.

Before moving on to a more detailed consideration of the Papers I would like to add just one further point which is of importance in considering Government attitude towards Irish agricultural development: For historical reasons we have lagged in farming progress behind Britain and the main European food exporting countries. We have now very many excellent farmers whose output and efficiency are comparable to the best abroad. But, no major development in production technique, in marketing methods or in the introduction of new products and crops has originated from Ireland—with the exception perhaps of some recent pioneering work by the Irish Sugar Company. Active research on the part of our Universities and Institute, together with clear thinking by our agricultural officials and leaders is needed to bring us to the forefront in European agriculture. In addition

more direct Government stimulation will be needed to pioneer expansion in new or relatively new products that appear economically desirable.

Moving on to more direct comment I would agree completely with the treatment of grassland improvement as top priority. Eighty-five per cent. of our arable land is now under grass. Our farmers are traditionally livestock farmers and we can grow grass better than any part of Europe with the possible exception of North Western France. Many Irish farmers are carrying heavy stocking of grazing animals over an eight months' season. We can grow grass abundantly and with the aid of clover, cheaply, but we must also consider converting it efficiently into saleable produce. Here I differ with the view point expressed both in the White Paper and in "Economic Development". The suggestion in both documents is that the bulk of our increased grass output should be consumed by beef cattle.

On all the evidence available, relatively low cash output per acre is associated with beef production. Unfortunately there is no comparative data available for this country although the Farm Survey shows consistently a higher cash output on dairy farms than on cattle farms. This comparison may not be entirely valid, since the standard of farming may be somewhat lower on the cattle farms. Studies made at Ruakura Research Station, New Zealand, have shown that high quality pasture will produce 3.7 cwt. of beef per acre and the same type pasture at the same station will produce 510 gallons of 5 per cent. milk per acre. At Irish Autumn prices the beef would be worth about £28 per acre, and using present Danish prices to avoid the complication of subsidy milk output would be worth about £48 per acre.

In a long-term New Zealand trial conducted by Dr. McMeekan and Dr. Walker it was found that, in terms of meat output per acre, beef and lamb were similar, but in addition the sheep produced 70 to 80 lb. wool per acre. I would add the comment that under Irish farming conditions, the meat output from lamb would be much greater, higher ewe fertility and heavier killing weights mean that about 50 per cent. more lamb meat is obtained from each breeding ewe.

In the context of comparing beef, lamb and milk output it must be mentioned that labour demands are highest on dairy farms and lowest on the beef farms but this consideration does not enter very many of our small and family farms where high cash return per acre is the important consideration in increasing farm family income.

As regards markets, the long-term outlook for beef is good, although it is unlikely that prices will maintain their present buoyancy which is helped by the cycle of production in the U.S. and in the Argentine, hitting a trough more or less simultaneously.

It must also be remembered that production of home reared beef cattle is increasing rapidly in Great Britain. The number of calves reared increased by 120,000 in 1957 and by a further 190,000 in 1958. This large and growing production of home reared beef cattle cannot but have some impact on the demand for our stores. With increasing production in this country it is quite

conceivable that at some time in the future interaction of demand and supply may have a weakening effect on the prices of export store cattle.

I mention these points not as an argument against increasing beef production but as a cautionary note against over-dependence in our expansion on one particular product and as an argument for urgently improving the quality of our stock and for diversifying our beef markets as much as possible.

I hold very strongly that our stock must be improved if we are to maintain the present high reputation of our store cattle in Britain. Let us remember that we lost our valuable trade in dairy breeding cattle when British farmers bred an improved dairy cow in the 40's. They are now rapidly improving their beef cattle. Regarding health improvement, I would refer not alone to T.B. but also to the Warble Fly which with the new systemic insecticides could be almost entirely eliminated in two seasons.

In breeding improvement it is high time that we adopted new techniques of performance testing at least for all A.I. beef bulls. In this work the Agricultural Institute has made a welcome start but more effort is needed to supply each A.I. Centre with even one top quality bull every year. To satisfy the growing market for high quality lean beef both in Britain and on the Continent the question of Charollais importation should no longer remain shelved. It has been agreed by the Minister for Agriculture in Britain and by Veterinary Officials here that it is possible to import Charollais cattle to this country with negligible disease risk. From this country's viewpoint the recent publication of an official German Report on the breed makes most interesting reading in so far as it indicates that Charollais is capable of supplying the highest quality demands of the German market.

Lamb production deserves serious consideration because of its superiority over beef in cash return per acre.

Britain imports approximately 280,000 tons of lamb each year and a further 200,000 tons of mutton and lamb is supplied by the home producer. The Irish contribution to this market is about 8,000 tons. With high quality lamb marketed fresh, Irish producers should be in a position to obtain a larger share of this vast market. With better handling, better breeding and better marketing our fresh lamb sold in the British market should command a premium over frozen New Zealand. There are other lamb markets also worthy of development. For instance, New Zealand in its first effort sold over 600,000 lambs in the high-priced North American market last year. France also has a high-priced market for lamb but trade discrimination has lost us this market that is still open to Dutch lamb. With its mild winter climate and long grass growing season Ireland has a particular advantage over most other European countries in lamb production: the severe cold of the Continental winter makes intensive sheep breeding difficult in some countries and impossible in others—this is yet another reason for placing greater emphasis on the development of this industry here. More attention must be paid to breeding, and particularly breeding for consumer qualities the suitability of the Texel and the Ile de France breeds should be assessed for the production of

extra lean lamb; the weaknesses of our existing marketing arrangements in Britain should be removed and the possibility of some official aid for the development of an Irish lamb market in Europe should be seriously considered.

Moving on to the question of milk, it is apparent that the views on milk production expressed in both papers under review have been influenced by the £2½ million export subsidy which is a direct result of milk being exported mainly as butter and at a price 15/- to 30/- per cwt. under the price of Dutch and Danish butter. Under these conditions the subsidy is needed to maintain a price to farmers of 1/4d. per gallon for the butter fat content of Creamery milk. Evidence indicates that with better planning of milk utilisation, a considerable saving of subsidy is possible. In Northern Ireland where only 44 per cent. of manufactured milk goes into butter, the average realised price last year was about 1/5d. per gallon. In the Netherlands where butter is also of lesser importance the average realised price for milk before subsidy was paid was 1/10d. per gallon. In Denmark where again the output of cheese and other milk products has rapidly increased the price paid to farmers at present without subsidy is 1/8d. per gallon. All these prices include skim milk which is not included in the Irish price mentioned.

The facts are that butter at present British prices will give a return of less than 1/- per gallon for milk: whereas cheese, depending on type or quality will pay from 1/4d. to 1/10d. per gallon, while milk powder and condensed milk at world prices will give a return of over 1/7d. per gallon.

In a paper to this Society in Belfast recently Dr. Armstrong of the Northern Ireland Milk Marketing Board said: "Butter is normally the lowest priced outlet for milk and in the jargon of the trade is the 'sink' product."

The extent of the world market for these higher priced products is indicated by Britain's imports of 125,000 tons cheese annually and exports to all countries of 98,000 tons by the Netherlands and 72,000 tons by Denmark. Ireland's total cheese production is less than 3,000 tons and exports are negligible.

The value of exports of whole milk powder and whole condensed milk from Denmark and Holland last year was £37.5 million and even Britain exported these products to the value of £4.2 million. Though condensed milk is produced in Ireland in a State-owned factory, exports from this country have almost entirely ceased.

I strongly hold that a high proportion of our increased grass output should be sold off the farm as milk. To avoid a heavy burden on the Exchequer, priority should be given to the production of cheese, dried milk and condensed milk from this milk. This development would require diversion of some of the export subsidy into such products. A planned programme for expansion in dairying industry, energetically executed is needed with a radical approach towards marketing. Such a programme demands integration and possible consolidation of the existing 160 separate milk manufacturing units.

Time does not allow me developing at length on our other farm products, but I do not wish to under-emphasise the importance of

tillage crops in general. Grain growing in a normal rotation, and with the modern methods of production that now exist on most Irish farms, yields a higher cash return per acre than beef on good grass—and a considerably higher return than beef on indifferently managed grass—and in this comparison I take grain at approximate world prices. With the standard of grassland management that exists and will exist on most of our farms for some time to come, it is difficult to maintain productivity of the sward without ploughing at regular intervals—and grain is a natural crop to sow on a ploughed sward.

It is difficult to disagree with the views on wheat growing expressed in both papers; wheat growing might still be expanded but the scope is rather limited.

I would, however, take issue with the views expressed in the White Paper on barley production. It is said that home-grown barley has made pig feeding unduly dear and it is feared that this situation might continue into the future. I hold that with the properly organised handling of barley distribution, these fears could be removed.

From figures supplied by members of the grain trade, and indications obtained from the Grain Board of distribution costs for feed wheat this year, I calculate that barley of 20 per cent. moisture purchased from the farmer at £19 a ton could be dried and distributed to any part of the country through the year at an average price of £23 10s. per ton. Members of the trade with whom I have discussed this matter agree with this price. The price of £28 10s. a ton mentioned in the White Paper existed because of haphazard and disorganised distribution methods, and the treatment of barley as a crop in which various merchants were wont to speculate.

Any suggestion of reverting to the general imports of feed grains such as existed in the 20's and the 30's would be a most retrograde step. It is not fully realised that in those years we imported in value as much feed grain, and at certain periods pig meat, as we exported in pigs, bacon and hams. For instance, in 1929, during the classical period of free trade in those products, we imported £6.1 millions of feed stuffs and pig meat, and exported £6.0 million pounds worth of pig products—and the balance sheet did not change materially some years later when the importation of pig meat was prohibited.

Nor should we overlook the possibility of developing an export market in malt and malting barley. Last year, Denmark exported £10½ million worth of these products at a price which would represent a higher return to the Irish farmer than feeding barley sold at £19 a ton. The development of a malt market might entail the establishment of a modern mechanical maltings at some export port.

Even with the present voluntary regulation of bacon supplies moving to the British market, it would be possible for us to sell about £12 millions worth of bacon, together with an appreciable amount of processed pig meat. To reach this goal pig numbers would have to be increased by about 25 per cent. With reasonable and stable feed prices—and perhaps some slight improvement of

the existing support price arrangement—this level of production could be reached within a few years.

The question of bacon subsidy was again raised in the White Paper and in "Economic Development". A large percentage of this subsidy is a measure of our failure to obtain as good a price for bacon as most of our competitors in the British market. Again, I must harp back to the old bogey of indifferent marketing. But we should not overlook possible weaknesses at the processing and curing sector of the industry.

In his publication "Costs and Efficiency of Pig Production", Rasmussen points to the fact that Danish factories can pay 26/- per pig more than the value of the resultant bacon. That is about 26/- per pig more than Irish factories can pay; he states that this is made possible by the efficient disposal of the pig by-products, and more efficient processing in the factories. Improved processing and better marketing apparently account for the relatively high pig price received by Danish farmers. Despite a British import duty amounting to about 18/- per cwt. carcase weight and the absence of support or subsidy, Danish farmers obtain an average of 224/- for highest grade pigs, together with a further bonus based on factory profits.

Comparisons are odious, but these figures suggest that with similar all round efficiency we should be in a position to pay an average of 242/- a cwt. dead weight for top grade pigs—that is 12/- above the present guaranteed price—without the need for subsidy.

In passing, I must mention another development that has recently been apparent in Denmark. There is a marked increase in the number of bacon pigs used for producing processed pig meats. Last year over one million bacon-type pigs went into this trade, which gave a better return for pig meat than bacon.

The White Paper has almost completely written off the egg export market for the apparent reason of the collapse in our sales to Britain. It has overlooked the considerable egg trade that both Holland and Denmark have developed in Europe. Last year the egg sales by Holland amount to £35.5 million—something very near the value of our store cattle exports, while Denmark exported eggs to the value of £22.2 million. The average price obtained for these eggs was around 3/- per dozen at point of export. With modern methods of production and modern breeds of fowl capable of producing one dozen eggs at a meal cost of 5 lb., some profit exists in eggs at this average price.

Also in poultry we have not shared in the vast European expansion of broiler production. It is estimated that 80 million broilers will be sold in Britain alone this year and an output of 200 million is freely forecasted for 1962 without expectations of saturating the market. Our participation in this business demands more serious consideration than is observed and something more than a few fitful steps by a semi-State concern that has a pedestrian record in its own field of activity.

In broiler production some form of public stimulation of private effort on a well planned basis is clearly needed.

Horticulture and seed potato production with their high labour

content and suitability to small farms should demand very special attention in any programme of agricultural expansion. Though Irish seed potatoes have a health record second to none, again, our export record stands no comparison with Dutch and Danish exports of £10 million annually. An integrated programme of research, internal organisation, development and export marketing such as has been built up in the Sugar Industry would also transform the seed potato industry.

Until recently a commercial horticultural industry in this country scarcely existed in spite of our climatic suitability to the production of a wide range of vegetables and fruit crops.

The Netherlands with its horticultural exports worth £70 million—or double the value of our store cattle exports—indicates the possibility for horticultural production here. An increasing opening for fruit and vegetables is foreseen in Europe, while the capacity of the human stomach sets no limit to the scope for expanding the sale of decorative flowers and plants.

The bulb industry, with its output of £350 per acre, and export value amounting to about £20 million in Holland and very near the same figure in Denmark, demands particular examination, especially since eel worm is creating problems for Dutch growers, and the hard winters of Denmark have produced difficulties for the Dutch growers who moved into that country.

In Horticulture generally there is a fruitful field for private effort, stimulated by an enlightened policy of State help. The Dungarvan apple project has shown what such help can do.

My final plea is that in all agricultural development careful thought, good organisation, energetic execution and sound marketing is of much more value than rigid State regulation and subsidies.

DISCUSSION

Professor J. Johnston said: In 1953 I was a Senator and resident in Dublin, but I felt myself to be more and more cut off from the realities of life in the country. I realised even then that the future of the national economy depended on the future of the small farmer—if any.

In 1782 Henry Grattan achieved the freedom of Ireland and was rewarded with a grant of £50,000, with which he bought the Grattan Estate in Co. Laois. In 1882 a descendent of his decided it was quite time to build a suitable home on that estate and Grattan Lodge came into existence. It was originally associated with a farm of perhaps 200 acres, but when I fell for the temptation to acquire it in 1953 it had been reduced to an area of 10 acres surrounded by a belt of trees. The land is excellent, highly alkaline like much of the land in the Barrow Valley, but easily cultivated and freely draining as its rests on a gravelly foundation—a product of the ice age.

A 10 acre holding is thoroughly uneconomic by all ordinary standards. I determined to make the experiment of basing a horticultural enterprise on an ordinary livestock foundation—a couple of cows and a couple of calves. I began by getting the soil analysed. It proved to be low in phosphate and potash but high in

lime. My bill for phosphate and potash in March 1954 was £44 10s. 3d. and I have no cause to regret this expenditure.

The house stood originally in a field, the cattle having full access to the hall door. There was one small fenced-in flower garden and an even tinier paddock. I fenced in about an acre and a half in front of the house to accommodate a lawn and a garden for vegetable and fruit cultivation. Fencing materials were a bit expensive as one had to fence against hens as well as cattle. However, poles were cheaply obtained from my own trees with the help of the local saw mill. The economic importance of a few trees on even the smallest of small farms cannot be over emphasised.

Till September 1956 I had the help of a man half-time who was also a local postman. With his help as worker, and indeed as architect, and again using my own timber, I erected a shelter for the cattle to which they have free access summer and winter. In the first year or two straw was locally available in ample quantities at more or less nominal prices. There is no mucking out of dirty cowsheds in my farmyard except for the occasional cleaning out of the concreted milk parlour where the cows are milked one at a time. The cattle lie on fresh straw in the shelter when they feel inclined and they are experts at producing the mature compost heaps which delight the hearts of "organic" farmers. The chemical action taking place between the straw and the cattle excrements produces an ideal form of central heat, and in winter I often envy them their nice warm couch. Incidentally, it solves the warble fly problem. The cattle take refuge in the shelter and there is no "gadding". It also solves the problem of keeping the cows clean. If a cow is not tied up, but free to choose her own lie, she will choose a nice clean place. You will see no dirty flanks on my cows, summer or winter.

I am interested of course in the milking qualities of my two cows—one does about 800 gallons and the other about 600 gallons. But from a horticultural point of view their other excrements are of even greater economic importance. In my experience you cannot grow first-class strawberries, raspberries and black currants unless you have ample farmyard manure and access to straw or peat mould to help in making it.

I made the mistake of over-specialising at first in strawberry cultivation, which requires a lot of labour to keep clean and are a backbreaking job to harvest. I got off to a slow start with raspberries, and still slower with blackcurrants, but I now grow raspberries as big as loganberries, and I have proved that my methods give most promising results, and they are, I think, capable of being applied on any small farm in any part of the country.

Last year I had about 350 strawberry plants—two-thirds of these in their first season, and I got 78 lbs. of fruit from them which the slugs did not get. About 150 yards of raspberry rows yielded 128 lbs. of fruit. About 50 blackcurrant bushes in their infancy yielded 46 lbs. of fruit. This year all these, now more mature, look like doubling or trebling their yield. Actually, one ought to get about a lb. of fruit from each strawberry plant, which is equivalent to a yield of four tons to the acre. In Wexford they

have got as much as seven tons to the acre. From one particularly vigorous plant I pulled 40 ripe berries last year at the one pulling, and there were many more pullings before and after. With 10,000 such plants the yield would be about 20 tons to the acre, but no one is likely to achieve that result.

Looking back on it now I would say that my economic experiment was an economic success but a financial disappointment. In 1953 the net output of my 10 acres could not have exceeded £50. In 1955-1958 it was £117, £119, £181, and £206 respectively. Wages were £98, £133, £223, and £225 and therefore exceeded the value of output in all but one year. My man became a full-time worker in September 1956. The loss agreed by the income tax authorities was £26, £46, £85 and £62, and would probably come down to zero or less if I could continue to expand output on the present basis. Unfortunately advancing years and failing health make it necessary that I should now abandon the experiment and I am looking round for a successor who will build on the foundations I have laid.

What is the general interest of all this?

The future of the small farmer and his family depends on the development of labour intensive crops which give a high output in value per acre.

With efficient cultivation and in association with livestock husbandry a yield of 4 tons to the acre of strawberries is easily obtainable—even in many areas in Connaught where indeed the best strawberry plants now come from.

At a price to the grower of 2/- per lb. that gives a return of £1,000 per acre! Will the Agricultural Institute kindly organise a group experiment in strawberry growing convenient to Shannon Airport, and would it pay to export these strawberries by air to the U.S.A. and elsewhere—all of those which were not consumed at the very admirable "cuisine" which they maintain at Shannon Airport.

Let us not despair of the future of the small farmer. On my uneconomic small holding in the summer months we have strawberries and cream, followed by raspberries and cream for many weeks, and we sell all the best of the fruit.

When our small farmers have learnt to develop the horticultural possibilities of their holdings they may hope to enjoy a standard of living in their own homes which only our business tycoons, who lunch or dine at Jammet's or the Shelbourne, can occasionally enjoy in Dublin!

Mr. P. Callinan said: Before commenting on the papers read at the meeting on 1st May I must pay a special compliment to Mr. Whitaker for his Grey Book on what may not inaptly be termed the country's present plight and as to how we may get out of it.

Dr. L. O'Nullain says that reading the long list of deficiencies and shortcomings in our economy he wonders whether it is the Department of Agriculture or the Irish farmer that must shoulder responsibility for the appalling degree of inefficiency, and alleges that the Department since its establishment in 1901 has achieved poor results for its efforts. It must be remembered, however, that Sir Horace Plunkett, who was the first political head of the De-

partment, was insistent that without co-operation amongst the Irish farmers real headway could not be made. Sir Horace, as historians must acknowledge, came in for a good deal of unfavourable criticism and, as a result, Co-operative Societies have not thrived in this country. The implications in Mr. Whitaker's survey with regard to grassland and cattle I propose to touch upon when commenting on Mr. O'Keeffe's paper.

In the field of technical training and in the application of scientific research to industrial problems, we cannot obtain worthwhile results from these alone without a much higher level of skill amongst our workers, particularly in the metal-using industries. Something has been done in connection with vocational education but the application of skill is not properly appreciated. Only a few weeks back I heard a lecturer in economics declare that the universities and technical schools could teach all the skill that is necessary, an attitude which is all too prevalent amongst those who ought to know better. I am boldly in favour of importing skilled workers from Continental Europe. I have served on several Committees of the British Standards Institution, a body very helpful to practising architects and engineers in the production of standard specifications and it would be unfair to expect of the kindred institution here anything more. The Irish Institute of Management, judging by some of its efforts, appears to be bent as much on complicating our problems as solving them.

On the matter of decentralisation, I am all in favour of locating industries which have to import raw materials and which hope to export part at least of their finished products, in or near Dublin (I am not a Dubliner). In Dublin labour is more plentiful, factory conditions are better and, what is generally overlooked by those who comment unfavourably on the growth of the capital, it has technical education facilities unobtainable elsewhere in the Republic. In the case of industries drawing raw materials from local sources, the case is otherwise. If the fishing industry could be properly developed it could lead to the establishment of processing plants at various points on the west and south coast and, if as successful as it is in Norway, four would be employed on shore for every one man at sea. This would imply that we can induce sufficient of our men to go to sea, by which I mean going away for long periods from home, otherwise we are unlikely to expand this important source of employment.

The possibility of establishing industries from the products of our forests has not been mentioned, and although these may not be available for a few years more it is high time that steps were taken to provide us with a corps of skilled workers who should if possible be trained in the Scandinavian countries. I favour eliminating all the small holdings in Connaught (except where required for forestry workers) and planting the land thus vacated.

Dr. Black says little with which I cannot wholly agree, except that the establishment of owner-occupiers under the Irish Land Acts, however beneficial to individual farmers has retarded more than helped economic development. I hope to refer to this aspect of economic development when I come to Mr. O'Keeffe's paper.

I agree with Mr. S. F. Thompson that intensified agriculture will not solve the problem of increased employment—we have too many underemployed persons still on the land for one thing. While I favour private enterprise in industry it is useless to expect progress with private enterprise unless the persons associated with such ventures are properly trained at all levels. Too many of these ventures have failed because the people associated with them had not proper training. I must commend in this connection the attitude of Irish hoteliers in starting off the training of future managers in the kitchen and not in the office. While I would not deny that in the final selling costs wages may be an important item, high wages give best results where you have good material among your employees. Mr. Whitaker hits the nail on the head when he remarks that much remains to be done to make good by education our lack of industrial knowledge.

Mr. Donal Nevin remarks that high fertility amongst the married, large scale emigration amongst the young age groups and the lengthening expectation of life amongst individuals have resulted in a higher proportion of dependents to earners than in most European countries. I am tempted to call attention at this stage to what has happened in Norway. In 1882 the emigration from that country out of a population of approximately 2 million was 32,000, mainly from rural areas, nearly as high as the emigration rate at that time from Ireland. There is now no emigration from Norway overseas except amongst scientists. Emigration declined after the early 1890s and there is now a population of 3½ million, the marriage rate is high, the people marry young, the average size of family is 3 per marriage. The population is increasing at roughly 1 per cent. per annum, which increase can be readily absorbed in industry. To deal adequately with the parallel problems of Norway and Ireland would require a separate paper, but in one matter Norway has not succeeded any better than Ireland, that is, in keeping people on the land.

The need for a National Planning Board as advocated by Mr. Whitaker and supported by Mr. Nevin is urgent.

When I come to deal with Mr. O'Keeffe's paper on agriculture I am putting my neck out, so to speak.

While I agree with him that there are many excellent farmers in this country, there are far too many occupiers of farms who do the minimum amount of work and produce very little. Dr. Lucey, with whose economic theories I frequently disagree, has called attention recently to the large number of farms occupied by elderly unmarried persons who are not in a position to work their land efficiently. Sometimes these people let the land on the conacre system, which is unobjectionable in some instances, but all too frequently results in mining the land of its fertility. I favour legislation which would result in dispossessing such persons and letting the land to suitable persons on lease without conferring on the lessees the benefits of the Land Acts.

Dr. O'Nullain advocated a drastic shake up of the agricultural advisory service. It is true that an Agricultural Institute has been established, but that Institute cannot accomplish much without

the intelligent co-operation of those who work on the land as practical farmers and a recasting of the advisory service. As Mr. Whitaker remarks, a graduate who comes out well in his year is not necessarily a good adviser. The system of recruiting to the advisory system needs amendment, so that the university graduate will have at least two years' practical farming experience before he is eligible to apply for the advisory service and a certain proportion of those selected should be specialists who need not necessarily have two years' practical experience of general farming but should have had practical experience of, say, the lay-out of farm buildings, land drainage, water supply. In short, these graduates should follow the British practice of qualifying for membership of a professional body.

While I agree with Mr. O'Keeffe that the improvement of grass lands should receive top priority, he has not dealt with methods of using the grass which are in advance of what I may term strip grazing and the electric fence. I maintain that if we are to make the best use of our grass lands and increase their cattle carrying capacity we must keep cattle largely in yards and provide for self-feeding: in other words, adopt what is termed zero grazing.

Mr. O'Keeffe and his fellow-broadcaster from Radio Éireann Mr. Michael Dillon, have recently been advocating methods with regard to farm buildings, which in my view are fundamentally unsound. Briefly, classes in elementary building construction are held at vocational educational centres, and the teacher helps individual farmers by providing plans to carry out alterations in their farm buildings. Much has been said in reference to the eradication of bovine T.B. but the importance of good buildings has hardly been mentioned.

Mr. Peter Aston, head of the rural Department, College of Estate Management, Cambridge University, who amongst his other qualifications is a surveyor, in a recent paper says that amongst the difficulties confronting the farm buildings planner is the lack of knowledge which exists on many matters and the incompleteness of data, how is it possible to design a building for a certain class of livestock when the environmental requirements of the animals concerned are not known; or how can the building be planned for a low labour requirement when satisfactory routines for the jobs concerned have not been established?

Building research has reached an advanced stage in Britain, but it has accomplished little in respect of farm buildings. Mr. Aston further remarks that in the sphere of farm buildings the link between university teaching and research is also non-existent and he pleads for new teaching on the subject.

I plead therefore for not only improved professional education for the advisory service but also for the establishment of a farm buildings research centre in charge of a group of young architects also qualified as surveyors who have had experience of actual farm building design amongst their general practice and to secure these I fear we will have to look outside this country for a start. I appeal therefore to our broadcasters to cease propaganda on aspects of farming in which their knowledge is not sufficient. I

have already in this room raised objection to the inadequacy of the farm survey as hitherto carried out.

I am all in favour of extending the growing of crops which can provide material for canning industries. I have advocated that more young men, including those who have graduated in agricultural science should spend some time in the Channel Islands, even if they have to accept employment there as labourers. I happen to have first-hand knowledge of conditions there and much which has been accomplished there could equally well be accomplished here.

Mr. Lynch said that an outstanding merit of "Economic Development" was that it had captured the imagination of the young people between the ages of 18 and 21 who had become increasingly impatient with oracular generalisations. In recent years there was a gap between the thinking of these young people and the outlook of their elders which was not always appreciated. Young people, like their elders, deplored the low level of production; and the high level of emigration; but they deplored above all the failure of many public pronouncements to be self-consistent. *Mr. Whitaker's* publication had captured their imagination because of its realism and its constructive proposals, and because it showed that there were grounds for belief that its objectives could be reached. Rightly or wrongly, young people found in "Economic Development" what they had searched for in vain elsewhere—that we had not yet exhausted all remedies for economic problems within the existing political framework. As far as public discussion on "Economic Development" was concerned, the time had come to stop praising *Mr. Whitaker's* work, however much it deserved praise, and to begin to show how public opinion could be mobilised to carry out the programme that he had outlined.

The notion of a long-term programme of economic development would have to be accepted; the necessity for co-ordinating within a unified pattern the individual projects in that programme should be recognised. Notwithstanding obsolete platitudes and atavistic complaints, the difficulty facing the country was not so much to find the money to finance development but to find the projects that were worth development. It was also necessary to persuade the public that increased production was not enough in itself unless the increase took the form of goods for which a market could be found either at home or abroad. It might well be that the supply side of our problem could be solved more easily than the demand side. Economic progress required that both sides of the problem should be solved. New ideas were necessary but not enough; we must also adapt ourselves to changing circumstances, particularly to the changing conditions of demand for our goods on foreign markets. This might call for a revision of a good deal of our thinking. The goods we can sell in the future might be different in kind from those which we produced successfully in the past. In any event, neither the volume nor character of our existing national product was sufficient to reduce substantially the levels of unemployment and emigration.

Dr. Henry Kennedy was fully justified in regarding part of Mr. Whitaker's document as a vindication to a large extent of the views which he has been professing with such vigour for so long. It was disappointing, however, to find General Costello lacking in constructiveness towards both Mr. Whitaker and Dr. Kennedy, and it was disheartening to find General Costelloe and Dr. Kennedy in conflict on matters of fact. Young people had become tired of tedious controversies about agriculture which tended to drag serious discussion to the level of the debating society. Questions of fact should be settled before controversialists express differences of opinion in public. Otherwise accepted experts confuse and confound those who might attach importance to their views.

Mr. Lynch said that Mr. Patrick O'Keeffe's paper was a very valuable piece of applied research in agricultural economics. The contribution by Mr. Donal Nevin was also important and Mr. Nevin had done well in relating Mr. Whitaker's views to the document on Economic Policy published by the Provisional United Trade Union Organisation in 1956. Mr. Nevin was right in regarding as the acceptance of a most important principle Mr. Whitaker's recommendation that future issues of legal tender notes should not involve an addition to the external reserves of the Central Bank. It was odd that there had been such little public discussion about this recommendation. The proposal was perhaps all the more significant because it seemed to reflect the inevitability of gradualness.

Dr. Louis P. F. Smith said: In our welcome for the Grey Book and White Paper our criticism must be so designed as to assist the next edition which will no doubt appear in due course. I would wish to make the following contribution in that context.

(1) On page 66 of the Grey Book requirements of fertiliser at optimum economic yields are stated. This requires further definition as to the input price of fertilisers and the price of product. Is the product presumed to be sold at present average prices or British import prices, and, in either case, which products is it presumed will be produced from the fertiliser? Beef is about the least responsive to fertiliser application in cash output per acre and in a number of products which are more responsive we have already reached a ceiling, e.g., in beet and wheat.

(2) Is the optimum output considered from the point of view of the individuals return or the benefit to the country? When subsidy is applied it makes fertiliser application more attractive to the farmer but does not affect the price from the national point of view.

(3) If the increased output is achieved in conjunction with increased fertiliser application, to what extent must this increased output be attributed to factors other than fertiliser? Additional capital must be invested and a higher level of management introduced.

With regard to trading policy, beef exports are recommended because we can export to Britain without further assistance. This is an over-simplification. We can export these products to Britain

without Irish subsidy partly because they receive a British subsidy of roughly £10 per head. A corresponding British subsidy on other products would change the picture and would be preferable from our point of view, if possible to achieve. We ought not to accept the artificial British import prices as the norm of agricultural prices since average European or world prices would be very much higher. The first object of national policy should be to obtain realistic prices for an increased output of intensive products. This seems less impossible when we consider that our present production is about 2 per cent. of European output.

As an extreme example, we see the German farmers trying to establish £31 10s. per ton as the European on-farm price for barley. Irish farmers would consider £20-£22 per ton as being reasonably remunerative.