SUBMISSION OF RUPERT LAIRD ON LATEST DRAFT ECONOMY POLICY

Marginal numbers relate to paragraph numbers in draft Policy Document.

2 There should be greater emphasis placed on encouraging local businesses and industries to expand and stay in business if possible where they are ailing, bearing in mind the 78% increase in business failures last year, with consequent erosion of employment opportunities. The necessary financial facilities and back-up advice, perhaps from a specialist assistance team, should be made available for this purposes and for encouraging such local businesses and industries to set up and manage viable ancillary undertakings, and thus avoid at least some of the chronic brain drain from the province. Think of the high-tech pharmaceutical and biotechnology industries we have in the Norbrook and Randox Laboratories in Newry and Crumlin. Randox in particular started with second hand laboratory equipment purchased from Queens University and found that financial assistance from LEDU was almost too slow to be of any help. Dr Peter Fitzgerald of Randox started from scratch and is now employing 70 people, mostly graduates, with further jobs in the pipeline. He has just started marketing a portable kit to test for Angel Dust of Clembuterol in meat. Howden-Sirocco PLC with generous financial inducement and encouragement might have been persuaded last year to retain their casting foundry facility, but now the castings are largely ordered from the U.K. The engineering factory in Flax Street which got into difficulty with its bank would probably have remained in business with its 19 employees if finance had been forthcoming for restructuring. It is understood that the bank put it into liquidation to discharge an overdraft of some £26,000. This measure of sum would pay very few people on Social Security for a year.

3,4

The budget for developing the properly identified objectives in these paragraphs would have to come from additional U.K. funding and not be taken out of other allocations of funding such as education or the environment, except where it has to any extent been built in to such allocations or budgets.

7

It is imperative while the Devolved Government’s expenditure over income is being met by substantial Grant-in-aid payments from the U.K. Government, that all the taxation and rating structures are kept in parity with the U.K. so as to attract the largest possible Grant-in-aid payment, and so that our economic position will be best understood and appreciated by U.K. politicians and civil servants at the Treasury and elsewhere. There should at least be a moratorium of 5 years before thinking of changing or tampering with the rating

system. Any new level or tier of taxation would create a hostile climate for the attraction of the new businesses alluded to in paragraphs 2 and 3 of the draft policy document and would encourage many of our best young people to seek employment in the U.K. or set up businesses there. While looking after the deprived areas we must also think of the some 80% of employed people in Northern Ireland and provide them also with incentives.

9

We should not raise the spectre of local income tax as many people would regard as menacing, never knowing what burden would flow from it and what political pressures would decide the amount and scope of it, perhaps to fund public housing or some other relief schemes. This reference to local income tax should be completely deleted from the document. Total parity with the U.K. in this area will create the best climate for attracting U.K. and overseas investments and industry. Any differences in the taxation or rating systems between N. Ireland and the U.K. would be regarded by many of the Unionist Community with great suspicion and as a further alienation of N. Ireland from the U.K. and they represent a large section of the community whose co-operation we will need in any Devolved Government structure.

17,18,19

Such flexibilities should be confined to flexibility in each broad area of allocated or budgeted funds, so that the transfer of funds from one area to another does not become a sectarian political football or lead to the detriment of, say, education or agriculture because their budget or allocation has been reduced by transfer to transport or housing, or vice versa. The gross budget or allocation for each area of the services should be made by the Secretary of State and the U.K. Government, to avoid sectarian political wrangling and another minefield for the destruction of Devolved Government. Each area of public expenditure as defined by the N.Ireland public expenditure accounts offers almost unlimited flexibility to prioritise. There should be safeguards to ensure that the budget for the protection of the environment in its widest sense, is not diminished as it could be one of the easier targets for erosion, we should remember that the environment is the one enduring thing, and will so far as we protect it, be there for all generations to enjoy. It is also the most important element that underpins the tourist trade foremost growth industry.

22

Add equal opposition to the privatisation of the water services.