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THE ECONOMIC DEVELOPMENT OF THE MIDLANDS REGION

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The Economic Development of the Midlands Region

The purpose of this paper is to present some relevant details about changes in the Midlands region since 1960 which may be of some benefit to regional planners, administrators and public representatives. At the outset let me apologise for the quality of much of this material which can be attributed to the serious deficiencies in the statistics available since 1971. This is all the more regrettable as the last decade has been one of rapid demographic and economic change.

Population

The first set of data relate to the people themselves. The most heartening picture here has been the about turn in county populations in the region as reported in the 1979 Census. What this means is that the rapid upsurge in people's confidence in the future of the region has helped to wipe out a long period of emigration in many cases. For example the recorded population in Offaly in 1979 restored the county to the level of population it had about 1914. In the case of Westmeath the swing put it back to 1919. Other counties are less dramatic perhaps in their repopulation. Laois is back to where it was in 1945, Longford regained its 1960 position while Roscommon's revival put it back to 1970. The overall picture between 1960 and 1977 is given in Table 1 where the years selected, apart from 1979, are those for which we have income statements. The 1979 regional total was at a level which the region has not experienced since 1955.

Table 1: Total Population in the Midlands Region and the State at specified intervals between 1960 and 1979

Laois	45,372	44,666	45,085	46,421	48,745	49,907
Offaly	51,599	51,689	51,793	53,167	55,845	57,183
Westmeath	53,050	52,894	53,327	55,105	58,329	59,915
Longford	30,992	29,237	28,494	28,882	30,145	30,777
Roscommon	59,891	56,676	54,453	53,663	53,951	54,095
Midlands	240,904	235,162	233,152	237,238	237,015	251,877
State excl. Dublin	2,113,880	2,090,613	2,110,231	2,190,095	2,318,229	2,382,295
State	2,830,329	2,874,153	2,940,700	3,074,906	3,268,223	3,364,881
			Regional share %			
State excl. Dublin	11.4	11.2	11.0	10.8	10.7	10.6
State	8.5	8.2	7.9	7.7	7.6	7.5

The table shows the changing distribution of population within the region. In 1960 Roscommon was clearly the largest county. By 1979 its place had been taken by Westmeath and Offaly was also larger. Laois too was gaining on Roscommon and the differential with Longford had also narrowed.

This divergence between the counties is also reflected in the level of change within counties. While there has been a general upsurge of population at county level individual areas showed a decline. This was most pronounced in Coole Rural District in Westmeath where almost 9% of a loss was recorded, 180 people in all. Other areas showing a decline were in Roscommon where the Boyle No. 1 Rural district lost 306 people, or 3%, and Castlereagh lost 159 people, or 1%. Thus the upsurge has been fairly evenly spread through the region. The Athlone urban district also had a small loss of 65 people but this probably reflects the general trend in Ireland to leave central urban areas for the suburbs. The rural districts of Athlone 1 and 2 had 4,138 more residents in 1979 compared with 1971 and 80% of them chose the Leinster side of the Shannon. This was a massive increase of over 40% in that rural district .

Other towns also showed great vitality. Longford's urban and rural districts between them recorded almost 16% of an increase in 8 years, Tullamore over 13% while the Mullingar rural district increase by 11%. The growth of Portlaoise must have been especially rapid. At present we only have figures for the Mountmellick rural district which includes both Portlaoise and Mountmellick and accounts for 53% of the Laois population. This wide rural area recorded a 12.5% increase. Birr urban district grew by more than 10%. It is not clear why Birr has a defined urban district but Portlaoise does not.

Many rural areas recorded very substantially growth. This was especially true of Offaly where 10% growth was almost universal. The increase of almost 16% in Slievemargy in Laois was impressive but may reflect the growth of Carlow. Clearly these changes are having major consequences for the provision of services and the development of infrastructures especially in the urban areas.

Table 2: Changes in population in the Midlands region at intervals between 1960 and 1977

	% Change				
	1960/5	1965/9	1969/73	1973/7*	1960/77
Laois	-1.6	+0.9	+3.0	+5.0	7.4
Offaly	+0.2	+0.2	+2.7	+5.0	8.2
Westmeath	-0.3	+0.8	+3.3	+5.9	10.0
Longford	-5.7	-2.6	+1.4	+4.4	-2.7
Roscommon	-5.4	-3.9	-1.5	+0.5	-9.9
Midlands	-2.4	-0.9	+1.8	+4.1	+2.5
State excluding Dublin	-1.1	+0.9	+3.8	+5.9	+9.7
State	+1.5	+2.3	+4.6	+6.3	+15.5

* The rate given here is based on an interpolation between the 1971 and 1979 Census (as are the other rates for their appropriate census). The percentage change between 1977 and 1979 would, therefore, be half this level as the interval covers only 2years rather than 4.

Table 2 summarises the changes since 1960 by county showing how the tide of decline reversed in each county though the volume of the flow was still low in Roscommon between 1973 and 1977 compared to the other counties of the region. The heartening revival of the region was not as marked as in the country generally. Nonetheless the average growth of 1% per annum is very satisfactory and very rapid in the context of European trends, even if lower than the 1.5% recorded generally in the country. These current rates compare also favourably with the longer term growth rate since 1960 which was almost 1% annually for the country as a whole but only about one sixth of this level in the Midlands generally. The slower advance in the Midlands have meant that the region's share of total population has diminished (see Table 1) though in the most recent period this decline has been less rapid. Walsh estimates the long term trend to be one of regional convergence.

The growth in the region's population has been helped by a net inflow of migrants between 1971 and 1979 in which all counties shared. The reversal in

Table 3: Volume of Migration in the Midlands over intervals between 1961 and 1979.

	Estimated Net Migration			Average annual rate per 1,000 average population		
	1971/9	1966/71	1961/66	1971/9	1966/71	1961/66
Laois	+1,121	-1,438	-2,825	+2.9	-6.4	-12.6
Offaly	+158	-2,990	-3,024	+0.4	-11.6	-11.7
Westmeath	+1,554	-2,409	-3,252	+3.4	-9.1	-12.3
Longford	+759	-1,615	-2,506	+3.2	-11.3	-16.8
Roscommon	+118	-2,997	-3,368	+0.3	-10.9	-11.7
Midlands	+3,710	-11,449	-14,975	+1.9	-9.8	-12.6
State excluding Dublin	78,852	-51,205	-98,757	+4.4	-4.9	-9.4
State	+106,800	-53,906	-80,605	+4.2	-3.7	-5.7

County Longford is especially striking given that it was the county with the highest rate of outflow in the early sixties. At that period seventeen out of every thousand left on average each year so that the return of three per thousand is all the more welcome. The return flows in Offaly and Roscommon were not large compared to flows ten times as large in Westmeath, Longford and Laois but they are significant compared to annual losses of 12 per thousand in the early sixties. These return flows to rural areas seem to be part of an international phenomenon and one which poses new challenges to local development. Whatever the headaches that this entails it is always more heartening to be working in an atmosphere of hope and growth.

Before passing on to other matters I have provided in an Appendix details of the number of births, marriages and deaths recorded annually since 1961 together with the natural increase. In 1978 the number of births was about the same as in 1961 though the national figures showed an increase of almost 17%. Births were highest in 1963 and 1964 and slipped back to a low level in 1970 and 1971 but then a recovery took place so that the Midlands has since been growing about 70% faster than the nation as a whole. Since there was no comparable slipback at the national level in the sixties this has left the Midlands less advanced compared with 1961. Among the individual counties Longford has been recording high levels of births since 1975 but Roscommon is still displaying a decline. In the latter county births in 1978 were about 19% fewer than in 1961. The fall off in births in Roscommon during a period of general national growth is remarkable. Roscommon, at 15.4 births per 1,000 population, had the lowest birth rate in the State. This is still greatly above general European standards and would not be so serious if the age structure in the county had not given it the second highest death rate (after Leitrim). As a consequence the natural increase in the county is at a low ebb.

Part of the difficulty with the Midlands region compared to the rest of the State may be the slowness in getting started which will be made up for as time goes by. This is apparent when we turn to consider the number of marriages. In the Republic these peaked in 1974 in numbers but have been reduced slightly as a consequence of the economic climate and perhaps also because of the smaller backlog of potential spouses. It is a curious fact that the numbers of young people married nowadays in each age cohort is greater than it was before the Famine when marriage was fabled to be at a very high level. Compared with 1961 there were almost 60% more marriages in 1974 in a slightly smaller total population. It would appear that the slow up in marriage numbers in recent years has not been evident in the more rural counties. Figures are not available for the residence of the groom since 1975 but at that date Roscommon had 54% more marriage over 1961 compared with 40% more in the Republic as a whole. The upsurge in Longford was even more remarkable. In 1974 the number of marriages was more than double that of 1961.

Table 4: Births, Marriages, Deaths per 1,000 average population annually in the Midlands between 1971 and 1979

Average Annual Rates 1971-79 per 1,000 average population

	Births	Marriages*	Deaths	Natural Increase
Laois	20.1	6.2	10.9	9.3
Offaly	21.9	6.4	10.0	11.9
Westmeath	21,9	6.7	11.4	10.6
Longford	20.6	6.2	13.1	7.5
Roscommon	15.4	4.5	14.4	1.1
Midlands	19.9	6.0	11.8	8.1
State excluding Dublin	21.2	6.3	11.4	9.8
State	21.5	6.7	10.5	11.0

* Estimate based on data for 5 years only.

The rate of change in numbers is one thing. Another yardstick is the number of marriages per thousand average population. In four of the five counties the average rates between 1971 and 1975 were not far short of the national average. The odd man out was Roscommon where the rate of 4.5 was only two thirds of the national average. It is clear therefore that while the growth rate has been high it is vital to provide far greater opportunities for young families in that county if the downward drag of the high death rate is to be counteracted and a more balanced and vital population structure to be achieved.

Before leaving the subject of marriage it might be interesting to observe that Roscommon in 1975 had the oldest brides and grooms on average of any county in the State.

The figures for average ages are as follows:

	Groom	Bride
Laois	28.0	24.4
Offaly	27.1	23.9
Westmeath	27.1	24.6
Longford	27.9	25.7
Roscommon	29.4	26.2
State	26.9	24.7

In three of the counties the average age of the bride was below the national average and in two the groom was only slightly older than his national counterpart. Again the importance of helping Roscommon is underlined.

Economic Status.

The creation of new families is greatly influenced by economic circumstances to which we now turn. Here the normality of the demographic structure is less apparent. The situation can be summarised by looking at the ranking of the five constituent counties between 1960 and 1973. County data are not available for 1977. The ranking relate to personal income per capita. Two figures are given for 1973 - one of these reproduces the estimates published in NESC document No. 30, the other is a revised estimate partly due to the revision in population estimates and partly due to a revision in the income of employees in manufacturing, about which we shall have more to say later.

Table 5 shows the steady decline in the relative ranking of Laois and Offaly from being respectively 15th and 12th to 22nd and 20th. Westmeath also regressed from 14th to 17th. None of these counties belong to the designated areas which factor may account for some of their decline. Longford and Roscommon do belong to these areas but have not changed greatly in relative ranking. In general only two other counties had lower rankings in 1973 - Leitrim and Donegal-and another, Mayo, was placed between Laois and Longford. The decline in the relative positions of Laois and Offaly is, as I said before, one of the remarkable trends since 1960 and one which does not appear to have

Table 5. Rankings of Midland counties in terms of per capita personal incomes between 1960 and 1973. (A low number means a high income)

	1960	1965	1969	1973	1973 (revised)
Laois	15	21	21	22	22
Offaly	12	16	17	18	20
Westmeath	14	12	14	15/16	17
Longford	23	23	22	23	24
Roscommon	22	22	24	21	21
Midlands (region)	6	6	6	6	7
Monaghan	19	18	15	12	12

attracted any major official remedial action. By way of contrast Table 5 also shows the progress made in County Monaghan from a position of nineteenth to twelfth - a mirror image of the decline of Offaly in the same period.

However the relative ranking of per capita incomes like "top of the pops" is not significant in itself. The question is whether the real standard of living has progressed over these years. Tables 6 and 6A answer this with an unequivocal 'yes'. Compared to 1960 real income in the Midlands increased by 90%. The national increase was 10% higher and the divergence between the Midlands and the State as a whole was mainly due to the slower growth in the Midlands up to 1969 since after 1969 the Midlands had a slightly faster rate of growth, the bulk of which is attributed to the change between 1969 and 1973. In the period between 1969 and 1973 the average national increase in real income in absolute terms was £344 whereas that of the Midlands was £307. Indeed the earlier estimate put the absolute increase in the Midlands as equal to the national increase so that very significant progress was achieved. After 1973 the national absolute increase was £75. The Midlands increase was less than half this. The rate of progress since joining the EEC, therefore, accounts to some extent for the decline in the Region's ranking. It will be observed from Table 6 that the West region took a

Table 6: Per capita incomes by region 1969, 1973 and 1977 (£)

	Current Prices				Constant 1977 Prices		
	1977	1973	1973*	1969	1977	1973	1969
EAST	1821	929	932	530	1821	1762	1432
SOUTH WEST	1581	785	786	416	1581	1487	1126
SOUTH EAST	1504	749	753	388	1504	1420	1051
MID WEST	1496	761	763	400	1496	1442	1081
NORTH EAST	1436	723	725	388	1436	1372	1049
WEST	1358	646	655	325	1358	1224	879
MIDLANDS	1242	637	661	333	1242	1207	900
NORTH-WEST/ DONEGAL	1209	606	619	315	1209	1149	853
STATE	1578	793	799	429	1578	1503	1159

* Figures in this column relate to the estimates published in NESC Report No. 30. In the current study these have been revised and appear in the previous column. The revision relates both to the total regional income and to the estimates of regional population. The 1969 estimates have also been revised marginally mainly to correct for population change, see text.

Table 6: Increases in Per Capita Income 1969-1977 and underlying population Increases

	Increases in Real Income (£)			Increases in Real Income %			Estimated Increases in Population		
	1973-7	1969-73	1969-77	1973-7	1969-73	1969-77	1973-7	1969-73	1969-1977
EAST	+ 59	+ 330	+ 388	3	23	27	9	7	17
SOUTH WEST	+ 94	+ 362	+ 455	6	32	41	5	4	9
MID WEST	+ 54	+ 361	+ 415	4	33	38	6	4	9
SOUTH EAST	+ 83	+ 371	+ 455	6	35	43	6	4	10
NORTH EAST	+ 65	+ 321	+ 386	5	31	37	5	4	8
WEST	+134	+ 345	+ 480	11	39	55	4	1	6
MIDLANDS	+ 35	+ 308	+ 343	3	34	38	4	2	6
NORTH-WEST DONEGAL	+ 60	+ 296	+ 356	5	35	42	4	2	6
STATE	+ 75	+ 344	+ 419	5	30	36	6	5	11

Table 6A: Income Per Capita in Midlands and other Regions 1960-77
(in 1977 Pounds)

	1960	1965	1969	1973	1977
East	983	1,181	1,432	1,762	1,821
South West	778	935	1,126	1,487	1,581
South East	740	873	1,051	1,420	1,504
Mid West	746	902	1,081	1,442	1,496
North East	694	846	1,049	1,372	1,436
West	619	740	879	1,224	1,358
Midlands	656	748	900	1,207	1,242
North West/Donegal	600	702	853	1,149	1,209
State	792	954	1,159	1,503	1,578
Position of Midlands	6	6	6	7	7

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giant step between 1973 and 1977, drawing away from the Midlands which were richer than in 1969. The North West and Donegal region also closed the gap and if the separate incomes of these two regions could be identified perhaps one of them has grown much closer to the Midlands in average personal income levels. Incidentally Table 6 shows that other regions, such as the East, made less than average progress since 1973. In part this is due to the population explosion there reducing incomes on a per head basis and partly it is a reflection of local severity of the 1973 recession and the loss of protection following the Anglo Irish Free Trade Agreement. The Taoiseach's home region of the South West also did particularly well where part of the progress can be attributed to the Common Agricultural Policy.

Before looking at causes at work in bringing about the slow growth of the Midlands since 1973. Table 7 provides us with a quick snapshot of changes in income within the region up to 1973. I have wrestled with the idea of attempting a county breakdown of the 1973 revisions and also of the 1977 incomes, even on a tentative basis but after some effort decided it would delay this paper excessively.

Table 7 shows that the two designated counties, Longford and Roscommon, grew at a rate above or at the national average over the period 1960 to 1973. In the two periods 1960 to 1969 and 1969 to 1973 Longford growth was at the national average rate. The faster growth in Roscommon can be attributed to the post 1969 period when its fortunes may have been helped by a prosperity in farming since the county derived 36% of its income from this source in 1973, a share more than twice the national average. In general the cattle boom of 1973 may account for this and the decline in relative cattle prices since that date may have evaporated much of this apparent progress. It will be noted that all Midland counties had higher growth rates than the national average in the post 1969 period. IDA figures suggest that the region did not suffer net losses due to the 1973 recession in the way that the East and North East regions did. These recession and free trade losses would have occurred after 1973, however. Table 7 also illustrates the poor performance in income growth in Laois-Offaly up to 1969.

Table 7: Personal Income Per Capita (1977 £s) within the Midlands Region 1960 to 1973

	1960	1965	1969	1973	1973 revised	% increase 1960/73	% increase 1960/9	% increase 1969/73
Laois	£679	£728	£901	£1, 234	£1, 193	76%	33%	32%
Offaly	£703	£776	£922	£1, 266	£1, 207	72%	31%	31%
Westmeath	£687	£811	£952	£1, 302	£1, 255	83%	39%	32%
Longford	£598	£700	£879	£1, 189	£1, 143	91%	47%	30%
Roscommon	£601	£703	£844	£1, 242	£1, 206	101%	40%	43%
Midlands	£653	£744	£900	£1, 246	£1, 207	85%	+38%	34%
State excluding Dublin	£709	£841	£1, 014	£1, 377	n. a.	n. a.	43%	n. a.
State	£793	£955	£1, 160	£1, 515	£1, 503	90%	46%	30%

Table 8: Changes in Real Income 1973-7 (Percentages)

	Agriculture Forestry Fishing	Remuneration of Employees Manufacture & Mining	Remuneration of Employees Other	Self employment	Interest Dividends Rent	Transfers Government	Transfers Foreign	Total
EAST	+3.5	+1.9	+20.2	+6.4	-5.3	+28.7	-0.5	+12.3
SOUTH WEST	+15.3	+20.3	+ 7.9	-4.5	-3.6	+29.0	-6.9	+11.9
MID WEST	+4.6	+7.9	+13.5	+0.2	-3.7	+29.2	-9.4	+ 9.5
SOUTH EAST	+9.4	+33.8	+ 5.3	-4.4	-3.4	+29.3	-4.8	+11.8
NORTH EAST	+12.4	+13.7	+ 4.4	-6.6	-3.2	+29.5	-9.8	+ 9.5
WEST	-4.9	+66.6	+ 4.0	-6.1	-4.9	+29.4	-9.7	+ 7.1
MIDLANDS	-1.4	+33.3	+ 4.0	-6.1	-4.9	+29.4	-9.7	+ 7.1
NORTH-WEST/ DONEGAL	+0.8	+28.7	+ 8.1	-8.3	-1.2	+29.6	-7.5	+ 9.9
STATE	+5.1	+13.2	+15.0	+0.5	-4.6	+29.1	-6.4	+11.6

Table 9: Structure of Personal Income within each region in 1977 (percentages)

	Farming Forestry Fishing	Non Agricultural Remuneration Manufacture & Mining	Other	Self Employment	Interest Dividends Rent	Transfers Government	Foreign
EAST	4.1	17.0	50.0	5.6	11.5	10.6	1.2
SOUTH WEST	23.6	16.2	33.3	5.1	6.4	13.2	2.3
MID WEST	24.3	14.7	34.9	4.8	6.3	12.8	2.3
SOUTH EAST	29.0	17.4	29.0	4.8	6.2	12.0	1.6
NORTH EAST	22.9	20.9	29.0	5.3	5.8	14.0	2.1
WEST	22.1	11.4	34.7	4.5	5.0	18.6	3.7
MIDLANDS	26.7	11.9	33.3	4.5	5.3	15.9	2.4
NORTH-WEST/ DONEGAL	21.4	11.0	32.7	5.1	5.5	20.7	3.7
STATE	15.9	15.9	39.9	5.2	8.3	12.9	1.9

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Turning to the post 1973 period we only have the regional estimates of income. Table 8 summarises the changes in each region in the 1973 to 1977 period. It shows that the growth in real income was lowest in Midlands and West although they had the highest rates of growth in manufacturing income. This phenomenon underlines the danger of concentrating on manufacturing solely as a vehicle of enhanced prosperity. The relative importance of each sector can be illustrated in Table 9 where it is compared to the national picture. This table indicates that employee income from employment other than farming, manufacturing or mining is almost three times as important as that derived from manufacturing and mining whereas agricultural incomes are two and a quarter times as important. Government transfers account for a third more income than manufacturing and mining. These facts may appear to be a reflection on the State of development of the Midlands Region but an examination of Table 9 shows that nationally "other non-agricultural income" provided a quarter more income than the combined income flows from farming and from employee remuneration in manufacturing and mining. Government transfers were 80% of the value of either farming or manufacturing income.

Given the importance of this source of income we can re examine Table 8 and here we find one clue to the slow growth of the Midlands. The national growth rate in remuneration in "other employment" was 15.0% but between 4 and 5.3% in four individual regions. In the East Region the growth rate was over 20%. It was 13.5% in the Mid West and 8% in the remaining regions.

I asked myself what the position of incomes would be if, instead of growth at the high level of 20.2%, the East Region had grown at the average rate of the rest of the country and the balance of the employment and remuneration was allocated between the regions. My calculations are synopsised in Table 10.

Table 10.

	Change due to hypothetical redistribution of gains in other employee remuneration	Change in per capita Income from all sources		Level of per capita income in 1977	
		Actual	Hypothesised	Actual	Hypothesised
	£	£	£	£	£
East	- 81	+ 59	- 22	1821	1740
South West	+ 62	+ 94	+ 156	1581	1643
South East	+ 63	+ 83	+ 146	1504	1567
Mid West	+ 33	+ 54	+ 87	1496	1529
North East	+ 65	+ 65	+ 130	1436	1501
West	- 12	+ 134	+ 122	1358	1346
Midlands	+ 66	+ 35	+ 101	1242	1308
North West / Donegal	+ 46	+ 60	+ 106	1208	1254
State	0	+ 75	+ 75	1578	1578

From these it is apparent that the Midlands region could be the major beneficiary of a shift of public and professional employment away from the capital. An increase in per capita incomes of £66 would be over 5% of the current level and as good as getting six thousand industrial jobs. I shall return to this topic again.

Apart from the below average growth in 'other employee remuneration' income from farming, forestry and fishing showed a real decline in spite of the great publicity surrounding the Common Agricultural Policy of the EEC. This real income loss only occurred in the West region whereas as Table 8 shows many other regions experienced substantial real income gains. To interpret events in the Midlands region a closer appraisal of agricultural developments is necessary.

Table 11 in its first six columns sets out the changes in volume, unit price, and value of output of various commodities, all corrected for the rise in the Consumer Price Index. Among the striking features of this table we observe the huge increase

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in the value of cattle output between 1969 and 1973. The rise of 75% in real terms was made up of almost 30% higher volume and thirty six per cent higher prices. Unfortunately this high price rise in 1973 which was due to exceptional conditions on the world market has tended to distort comparisons between EEC membership and pre EEC membership. The movement in the weighted unit price of cattle in general was as follows:-

1969	1970	1971	1972	1973	1974	1975	1976	1977	1978
100	98	100	121	136	101	103	119	130	138

The upward movement in the price in 1972 may have been in part in anticipation of membership. The series of prices indicates the freak nature of the 1973 prices which unfortunately coincided with EEC membership and the NESC 1973 county income report. Had 1974 been chosen instead (and this was a disastrous year for cattle) the growth in incomes in areas, where incomes have a strong contribution from the cattle economy, would have shown up less marked between 1969 and 1974 and much more rapid subsequently. The high rating of Roscommon in 1973 may reflect such a phenomenon.

The rise in the milk price in both the pre and post 1973 period was substantial and elicited a significant increase in the volume of production. It is noteworthy that since 1973 the unit prices of cattle, sheep, pigs, poultry, eggs, and cereals have all declined in real terms though, as we have noted, the price decline of cattle was more apparent than real. Within the cereals there was a slight rise (2%) in barley and a substantial (-14%) fall in wheat prices. Oats, which are not a CAP product, rose in price by 8% but this was not sufficient to ward off a 26% fall in volume. In spite of the price fall wheat output was up 30% whereas feeding barley output shot up 87% in volume without the stimlus of a significant price increase. Crop output in individual years is, of course, influenced by, the weather and a decision to switch into a particular crop often reflects the price relativities more than the effect of special price increases. Sugar beet

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prices rose considerably but perhaps for quota reasons there was no corresponding rise in output. It will be noted that the two products which gained the most in prices increases since joining the EEC, milk and sugar beet, are now the commodities that are at the centre of the present EEC budgetary controversy. If the prices of these commodities are cut back - and the signs all point that way - the impact will be felt most in other regions rather than the Midlands. This will be no consolation to the Midlands if cattle, sheep and cereal prices remain depressed. It will also hurt those farmers who had been adapting their farming to the new pattern of prices.

The extent of this adaption is to be gleamed from Table 11. The last two columns suggest that prior to EEC membership Midland farmers had been slower than average in their propensity to follow prices. Up to 1973 the swing into cattle, milk, and sheep was slower than normal but since 1973 the upsurge was greater but this was against a background of lower prices in real terms. The 10% increase in the real value of cattle output occurred against a five per cent fall in real unit prices. This increase should, however, stand the region in good stead as the prospects for other enterprises become bleaker. The increase in milk was also higher than the national rate as was the cutback in sheep output. The rest of the table I leave to yourselves and wish to inform you that the changes for the individual counties are available from me for those who wish to have them.

Changes in the rate of increase are insufficient evidence in themselves. We need to know the relative importance of the various enterprises in the region. This additional material is given in the Appendix both for the region as well as for the counties for the three years 1969, 1973 and 1977. To facilitate comparisons figures are also given for the State, and counties Cork and Monaghan. These tables show the dominant role of cattle in the Midlands, accounting for 54-55% of gross output in 1973 and 1977. Milk is only half as important as nationally. Often commodities do not differ greatly from the national average. Comparing the Midlands with Cork or even Monaghan shows up a bigger contrast. Dairying is almost three times more significant in Cork

Table 11: National Changes in Commodities | Midland Change

	Volume		Unit Value		Total		Total	
	1969/73	1973/7	1969/73	1973/7	1969/73	1973/7	1969/73	1973/7
Cattle	+29	+8	+36	-5	+75	+3	+70	+10
Milk	+22	+22	+10	+22	+34	+49	+30	+49
Sheep	+ 6	-22	+28	-19	+35	-37	+30	-44
Pigs	- 0	- 7	+13	-1	+13	-8	+14	- 2
Poultry	+38	+ 2	+13	-10	+56	-8	-10	+ 4
Eggs	-14	+ 8	+13	-25	-3	-19	included in poultry	
Cereals	-12	+37	+25	+2	+6	+32	- 2	+46
Potatoes	-10	- 7	+ 7	+12	- 4	+5	+ 0	+ 2
Sugar Beet	+30	0	-25	+41	- 3	+41	- 8	+30

2'

and being intensive yields higher family farm incomes per acre.

Another table that might interest you is the relationship of different counties to the transfers under FEOGA. I have included in the Appendix my estimates of the distribution of FEOGA grants in 1977 by county. As a national average each family farm worker received a subsidy of over £1, 000. In the intensive dairying counties, Cork, Limerick, Kilkenny the average exceeded £2, 000. In Roscommon by way of contrast the average was £440. This fact should increase the bargaining power of the Midlands in its negotiations with the EEC.

Industry

It is difficult to get firm data on the evolution of employment in the production sector. One obvious peg on which to hang the analysis is the Labour Force Survey of 1977. I estimate the results to be 4.5% too low on the evidence of interpolating back from the 1979 Census. The official figure for 1977 corrected for underestimation would therefore be 14.3 thousands, of which manufacturing proper would be 9.3 thousands. The balance of five thousand would be engaged in the supply of electricity, gas and water or employed at mining or turf production. The other directly comparable figure is that of the 1971 Census of Population when these production activities were reckoned to amount to 13.2 thousand jobs, with 8.5 thousand of them in manufacturing. Comparing these totals gives us an estimated increase of 1.1 thousand jobs in the Region over the eight years, of which 800 jobs accrued in manufacturing. [The uncorrected estimates gave a total increase of 500 jobs, of which 400 were in manufacturing]

Another source of information was the Census of Industrial Production of Sept. 1971 and Sept. 1972. Excluding turf production and the manufacture of road-load equipment the rise in employment in transportable goods industries over the year was 709 jobs (from 6, 939 to 7, 648)*. This accounted for almost all the reported

* On a different basis the CIPs of 1970 and 1971 record a job loss of 218 places.

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increase between 1971 and 1977. On the other hand the IDA January Survey which was launched on a full scale in January 1973 recorded 9, 040 (revised to 9,237) jobs rising from 9, 931 in January 1974 and to 11,446 jobs in January 1977 or 12,151 jobs in January 1978. In addition 551 jobs were in small firms employing 5 or less. If we take mid 1973 as having 9,486 jobs and mid 1977 as 11,799 jobs the IDA survey claims an increase of 2,313 jobs, not all in grant aided firms. How are the IDA figures of January 1973 to be reconciled with the CIP figures of September 1972? Did an increase of 1,392 jobs occur in four months or is it just that different methods of collection produce different results? Again how are we to reconcile the IDA increase of 2,300 jobs since 1973 with the Census claim of an increase of only 800 jobs from 1971. Clearly one interpretation is that 1,500 jobs were lost between April 1971 and Mid 1973. This is difficult to believe given the CIP reported rise of 700 jobs between Sept. 1971 and Sept. 1972. The jobs could have been lost before September 1971 or after September 1972 or they could have occurred in manufacturing employment not covered by the Census of Industrial Production. This latter Census does not cover firms employing three or less.

If we have difficulty reconciling the IDA and CSO data this is understandable given that they are different agencies discharging different functions. However, if we confine ourselves to the CSO material we can relate the CIP figures of September 1971 with the self reporting of the Census of Population of April 1971. The Census shows 2,330 more people at work than the CIP. The figures are as follows:

	Census (1)	CIP (2)	Difference(2)	(3) as a % of (2)
Laois	2,137	1,447	690	48
Offaly	2,741	2,502	239	10
Westmeath	2,122	1,427	695	49
Longford	902	693	209	30
Roscommon	1,367	870	497	57
	9,269	6,939	2,330	34

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The Census figures exclude the employment of Bord na Mona and manufacturing activities by CIE but include other turf production etc. The difference is made up of commuters since the Census records the worker's residence while the CIP records the place of employment. In turf production in particular in the Midlands a lot of commuting occurs across county lines between the bog and the home. There is also commuting into Carlow town from Laois etc. The difference above also includes those in self employment and also very small firms of three or less people.

The remarkable thing about these figures is their large size relative to the CIP. In Laois, Westmeath and Roscommon the CIP is therefore an inadequate guide to employment. Mr Lalor once carried out his own survey of employment when development officer for Laois and recorded 2,000 employees in firms eligible for CIP average whereas the official figure was 1,200. This report was submitted to the CSO listing the firms and their employment in great detail but no explanation was ever provided to account for the discrepancies.

The upshot of all these reflections has been to leave me in a quandary as to the appropriate figures to select. The Central Statistics Office told me that the IDA survey was of very good quality and so I was inclined to accept its findings. I was also constrained by the 1977 Labour Force Survey. Eventually after many trial explanations and several telephone calls to people in the Midlands I decided to set at 10.3 thousand for 1973 rising to 12.2 thousand by 1977. This meant a downward revision of the 1973 figures from a previous level of 12.6 thousands in NESC Report No. 30. Essentially this meant that the region made little progress between 1971 and 1977 the gains in the post 1973 period being offset by declines earlier. These adjustments were not made in isolation as the estimates for other regions were made at the same time. However of all the estimates those for the Midlands were the most unsatisfactory. A case could be made for increasing the numbers by a further 800 but the impact of this adjustment on overall region income would not be large.* I would certainly welcome a better source of data.

Even if the number employed has been established a second problem relates to the rates of earnings. The most recent information available to me on average earnings by county relates to the 1972 CIP. This showed great variety of levels of earnings around the regional average:

* About £9 per capita in 1977.

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Laois	105.5
Offaly	95.5
Westmeath	99.3
Longford	80.5
Roscommon	120.9
Midlands	100.0

Since 1972 employment in Longford has doubled and it seems unlikely that the new firms are also associated with low earnings. It is questionable whether Roscommon has continued to retain its large margin within the region. What should have happened is that the regional level, which was only 76% of the national average in 1972, must have moved up closer to the national average. The latter was 131.1 in terms of the regional index. Such a phenomenon would have occurred in the general shake out of industry following the post 1973 recession. Longford was only 61% of the national average in 1972 - the county with the lowest average earnings. In making estimates of regional earnings for manufacture I would have liked to have had a more up-to-date index of earnings. In its absence I was forced to use the old index and thereby may have depressed incomes in the Midlands relative to the State as a whole. It is however also relevant to note that the Midlands had average earnings of 86% in 1963 and 81% in 1968 compared to the national average so that the 76% recorded in 1972 is in line with a trend of divergence over time.

Whatever views may be taken of the industrialisation programme the IDA annual survey show an impressive annual increase of 790 net jobs in manufacturing between 1973 and 1980. This is revealed in Table 12. Last

Table 12: IDA Midlands Census

Jan	1973	1974	1977	1978	1979	1980
Laois	1954	1932	2268	2531	2704	3120
Offaly	3310	3213	3341	3399	3598	3872
Westmeath	1911	2044	2499	2697	3025	3307
Longford	1040	1376	1711	1716	1945	2252
Roscommon	1022	1366	1627	1808	1958	2218
Midlands	9,237	9,931	11,446	12,151	13,230	14,769

year Brendan Walsh and myself examined "Regional Policy and the full employment target". The figures we used are somewhat out of date given the evidence of the 1979 Census. In it we postulated a net increase of 800 jobs per annum in manufacturing in the Midlands region. This was the IDA target and it is gratifying to discover that they are bang on target in the actual jobs on the ground.

In our study we examined the annual adult migration and projected a loss of about 150 adults per annum from the Midlands. We have no way yet of examining this assumption as the age distribution of the 1979 Census has not yet been released. The discovery of total inflows is not inconsistent with adult outflows but I suspect that the outflow may nonetheless have been somewhat lower. Allowing for this migration we projected an annual increase of 650 in the labour force and a reduction in regional employment rates to 4.6% in all regions. This required an increase of 1125 persons at work in the Midlands annually. We reckoned that this increase would be net of a fall of about 625 annually in the farm work force and postulated that IDA targets of 800 jobs would be met. We then balanced out the sums and found that our target employment required an additional 950 jobs outside manufacturing and farming to be created each year. In fact 80 jobs were created in these sectors annually between 1971 and 1977. The regional distribution was as follows

Total annual increase nationally		6305
of which regions	East	5070
	South West	265
	South East	65
	North East	70
	Mid West	785
	Midlands	80
	West	470
	North West/ Donegal	200

2b

This maldistribution of other sector jobs has gone unchallenged from the regions. These jobs in general are better paid, clean, permanent and prestigious. Under Jack Lynch and Martin O'Donoghue determined efforts were being made to shift some public sector employment out of the capital but was meeting very stiff opposition from those privileged to have such jobs and the demands for compensation were quite exorbitant. What will happen to these schemes in the new climate is not clear but obviously the 40% of the vote in the East region can only be neutralised by a common front from the rest of the country. The importance of this factor was brought out in a study which I did of government transfers in 1969. In general the West gained most per capita from social welfare, the south from agricultural subsidies and industrial grants but the volume of salary payments in the East region still left the capital receiving the highest level of government expenditure per capita and it the richest region. In fact the richer the region the more the government spent in it.

People are getting more resistant to the idea of large centralised bureaucracies. Scattering government offices to remote locations does not diminish the centralisation of administration though it reduces the concentration of location. Effective participation means local access and high quality local staff. There is need to hive off many functions of central government back to the regions so that they can attract a critical mass of administrators necessary for maximum performance. It is not clear, for example, why every secondary teacher in Ireland has to be paid from Hawkin House. Rather than send Hawkin House to Achill why not let the regions do the distribution? At the same time why not abolish the bar between local and central government transfers. As it is an officer sent to Castlebar must return to Dublin on promotion and be compensated into the bargain.

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It is not clear however that even at local level there is great scope for an extension of state employment nor is it obvious that the IDA can hope to continue to deliver industrial jobs in the cut throat competition for internationally mobile industry. Greater domestic effort will be called for and this means greater local effort. An ideal set up to my mind would be

1. A regional assembly of locally elected representatives
2. A regional executive like SFADCo was with extensive power to undertake promotional activities on its own and in collaboration with local authorities.
3. A conference of central government officials consulting and coordinating their several local initiatives
4. A confederation of local development bodies, voluntary agencies and community groups.

All of these would be serviced by the regional executive and interact for the betterment of the region. International studies and historical analyses suggest that a country's prosperity is best guaranteed by a strong and committed central administration interacting with committed and powerful local administration with which local elites identify. In such a climate the spirit of enterpreneurship and progress is most likely to be fostered.

In the development of the region the possibilities of EEC assistance should not be overlooked. Two lines of attack are potentially fruitful.

1. The FEOGA guidance scheme was intended to provide for the resettling of people leaving agriculture and here the Midlands has strong claims.

2. The non quota section of the regional fund will assist areas where it can be shown that EEC membership has led to job redundancies. To date little has been achieved in Ireland in this regard. There must be industries in the Midlands that have suffered from the chill winds of increased competition. If these can be identified a case can be made. However it is important not to expect too much from the EEC and to realise, as I'm sure you do that the future is largely for us to create Sinn Fein.

Percentage of Gross Value of Output derived from Output of Livestock and Crops of Turf (1969)

	Cattle	Milk	Sheep	Pigs	Poultry	Total Livestock including horses	Cereals	Sugar Beet	Other Crops	Total Crops	Turf
1969 Laois	37	12	3	14	4	71	17	8	2	28	1
Offaly	42	8	5	11	6	75	15	4	2	23	2
Westmeath	53	11	7	11	5	89	5	0	2	9	2
Longford	48	20	3	14	5	92	1	0	1	5	3
Roscommon	48	17	12	5	5	88	1	0	3	7	5
Midlands	45	13	6	11	5	82	9	3	2	16	3
Cork	27	34	2	15	3	82	9	4	3	18	0
Monaghan	22	21	0	22	25	91	1	0	5	9	0
State	33	24	5	12	5	87	8	2	4	18	2
1973 Laois	47	13	3	14	2	79	12	6	1	20	0
Offaly	53	11	5	8	5	82	10	2	1	16	2
Westmeath	64	10	6	7	3	91	5	0	1	8	1
Longford	60	17	3	11	4	94	1	0	1	4	1
Roscommon	58	13	12	5	3	91	1	0	1	5	3
Midlands	55	12	6	9	3	86	6	2	1	12	2
Cork	33	35	1	13	3	87	7	3	0	13	0
Monaghan	28	21	0	15	28	93	1	0	2	6	0
State	42	24	5	10	5	86	6	2	1	13	1
1977 Laois	43	18	1	10	2	75	15	6	1	24	0
Offaly	51	15	2	7	5	81	11	3	1	18	2
Westmeath	62	14	3	6	2	88	7	0	1	11	1
Longford	57	22	1	9	4	94	1	0	1	5	1
Roscommon	60	15	7	6	2	90	2	0	1	7	3
Midlands	54	16	3	8	3	85	8	2	1	14	1
Cork	28	43	1	10	2	84	10	3	0	16	0
Monaghan	26	32	0	8	27	93	1	0	1	7	0
State	37	31	3	8	4	83	9	2	1	16	1

Data Source: N.E.S.C. Personal Incomes By County, E.S.R.I. - Data on County Incomes

Appendix: Details of Births, Marriages, Deaths and Natural Increase 1961 to 1978 in the Midlands

	Laois	Offaly	Westmeath	Longford	Ros-common	Mid-lands	State
	Births by residence of mother						
1961	985	1,164	1,221	586	982	4,938	59,825
1962	985	1,199	1,230	601	946	4,961	61,782
1963	1,068	1,299	1,236	591	875	5,069	63,246
1964	1,010	1,280	1,303	591	887	5,071	64,072
1965	981	1,252	1,295	616	823	4,967	63,525
1966	893	1,201	1,320	608	836	4,858	62,215
1967	900	1,182	1,237	586	838	4,743	61,307
1968	933	1,153	1,212	525	846	4,669	61,004
1969	932	1,158	1,198	573	854	4,715	62,912
1970	972	1,133	1,184	577	792	4,658	64,382
1971	926	1,166	1,185	567	812	4,656	67,551
1972	1,018	1,193	1,223	607	827	4,868	68,527
1973	971	1,274	1,242	585	883	4,955	68,717
1974	927	1,267	1,282	596	861	4,933	68,784
1975	896	1,182	1,189	586	807	4,660	67,508
1976	946	1,218	1,246	644	862	4,911	68,167
1977	973	1,155	1,338	603	825	4,892	68,436
1978	1,002	1,172	1,267	688	797	4,926	69,844
	Marriages allocated to residence of groom						
1961	201	230	264	92	169	956	15,329
1962	193	239	274	111	161	978	15,627
1963	211	249	238	107	196	1,001	15,556
1964	210	235	264	92	183	984	16,128
1965	218	259	251	141	183	1,052	16,946
1966	211	239	306	119	198	1,073	16,849
1967	229	264	294	148	170	1,105	17,788
1968	242	239	346	131	232	1,190	17,312
1969	221	271	324	124	187	1,127	18,521
1970	254	330	290	128	183	1,185	19,088
1971	255	339	374	178	214	1,360	20,469
1972	288	352	354	172	241	1,407	20,715
1973	267	330	386	172	251	1,406	21,317
1974	319	350	398	196	249	1,512	21,395
1975	310	336	361	177	261	1,445	21,280

Source: Annual Reports of "Vital Statistics".

Appendix: Details of Births, Marriages, Deaths and Natural Increase 1961 to 1978 in the Midlands

	Laois	Offaly	Westmeath	Longford	Ros-common	Mid-lands	State
			Deaths by residence of deceased				
1961	562	614	589	409	873	3,047	34,768
1962	546	613	627	446	830	3,062	33,838
1963	585	619	658	426	820	3,108	33,795
1964	513	538	590	429	778	2,848	32,630
1965	497	574	591	419	837	2,918	33,022
1966	549	580	621	489	791	3,030	35,113
1967	513	546	603	360	731	2,753	31,400
1968	516	559	575	418	799	2,867	33,157
1969	503	565	597	375	766	2,806	33,734
1970	490	534	603	394	783	2,804	33,686
1971	505	553	609	326	709	2,702	31,890
1972	513	505	646	374	822	2,860	34,381
1973	523	577	642	408	764	2,914	34,192
1974	498	579	673	476	814	3,040	34,468
1975	546	525	652	354	802	2,879	33,532
1976	525	528	652	358	808	2,871	33,284
1977	521	531	640	418	753	2,863	33,425
1978	541	549	668	401	745	2,904	33,051
			Natural Increase				
1961	423	550	632	177	109	1,891	25,062
1962	439	586	603	155	116	1,999	27,944
1963	483	680	578	165	55	1,961	29,451
1964	497	742	713	162	109	2,223	31,442
1965	484	678	704	197	14	2,077	30,503
1966	344	621	699	119	45	1,828	27,102
1967	387	636	634	226	107	1,990	29,907
1968	417	594	637	107	47	1,802	27,847
1969	429	593	601	198	88	1,909	29,178
1970	482	599	581	183	9	1,854	30,696
1971	421	613	576	241	103	1,954	35,661
1972	505	628	577	233	5	1,948	34,145
1973	448	697	600	177	119	2,041	34,521
1974	429	688	609	120	47	1,893	34,316
1975	350	657	537	232	5	1,781	33,976
1976	421	690	594	286	54	2,045	34,885
1977	452	624	698	183	72	2,029	35,011
1978	461	623	599	287	52	2,022	36,793

Source: Annual Reports of "Vital Statistics".

Table 2: Distribution of Personal Income by source 1977 (£000s)

	Remuneration of Employees			Income of Self employed		Interest	Transfers		Total
	Agriculture & Forestry	Manufacture & Mining	Other	Agriculture & Fishing	Other	Dividends Rent	Government	Foreign	
EAST	14,180	374,098	1,097,650	74,805	122,013	253,417	233,569	25,876	2,195,608
SOUTH WEST	9,250	128,687	264,877	178,871	40,467	50,838	104,936	17,958	795,885
MID WEST	6,070	64,310	152,896	100,630	20,871	27,427	56,011	9,976	438,192
SOUTH EAST	14,031	93,199	155,911	141,529	25,712	33,429	64,455	8,569	536,835
NORTH EAST	2,502	55,789	77,629	58,835	14,112	15,435	37,443	5,621	267,365
WEST	2,255	42,721	129,929	80,541	16,831	18,692	69,862	13,859	374,691
MIDLANDS	5,466	36,491	102,142	76,453	13,773	16,398	48,681	7,423	306,828
NORTH-WEST/ DONEGAL	2,501	26,523	78,893	49,131	12,220	13,364	49,982	8,818	241,432
STATE	56,256	821,819	2,059,927	760,796	266,000	429,000	664,939	98,100	5,156,837

Appendix Table 7

PAYMENTS FROM FEOGA (Guarantee Section) — DISTRIBUTED BY COUNTY

County and Province	Cereals	Beef	Dairy Products	Pigmeat	Sugar	Total	£'s Per Family Farm Worker
	£'000						
Carlow	347.5	1,050.1	333.3	69.0	435.2	2,235.1	894.0
Dublin	168.8	580.2	–	89.2	15.8	854.0	610.0
Kildare	1,045.5	1,848.8	1,099.8	97.0	232.8	4,323.9	1,394.8
Kilkenny	342.9	2,784.7	6,815.1	219.3	322.1	10,484.1	1,906.2
Laoighis	899.1	2,034.3	1,866.2	199.8	337.6	5,337.0	1,160.2
Longford	0.4	1,256.2	1,016.4	82.0	0.0	2,355.0	603.8
Louth	265.6	954.0	–	35.8	4.2	1,259.8	629.9
Meath	98.1	3,245.3	499.9	106.1	47.4	3,996.8	677.4
Offaly	621.7	2,165.1	1,099.8	115.2	131.6	4,133.4	918.5
Westmeath	44.6	2,079.1	699.6	90.5	2.7	2,916.9	678.3
Wexford	1,848.3	2,664.8	4,332.3	437.4	946.5	10,229.3	1,649.9
Wicklow	147.6	1,301.2	–	140.6	65.3	1,654.7	591.0
LEINSTER	5,830.5	21,963.8	17,762.6	1,681.9	2,541.2	49,780.0	1,063.7
Clare	8.1	3,001.2	4,515.6	55.3	2.1	7,582.3	765.9
Cork	643.6	8,817.2	32,375.8	1,326.5	1,211.2	44,374.3	2,143.7
Kerry	64.6	3,139.7	12,930.3	200.5	51.8	16,386.9	1,260.5
Limerick	5.8	3,746.3	15,129.8	189.4	2.2	19,073.5	2,192.4
Tipperary N.R.	444.6	2,527.3	{13,630.2	130.2	{325.5	{20,572.0	1,870.2
Tipperary S.R.	26.7	3,089.2		398.3			
Waterford	48.9	2,181.6	5,132.2	274.7	151.0	7,788.4	2,105.0
MUNSTER	1,242.3	26,502.5	83,713.9	2,574.9	1,743.8	115,777.4	1,728.0
Galway	85.1	4,648.4	2,182.8	148.4	147.2	7,211.9	369.8
Leitrim	–	1,084.6	816.5	83.3	–	1,984.4	330.7
Mayo	0.1	3,795.3	2,116.2	144.5	5.9	6,062.0	352.4
Roscommon	33.3	2,733.3	1,383.0	115.2	6.3	4,271.1	440.3
Sligo	0.1	1,633.9	2,149.5	41.7	0.6	3,825.8	597.8
CONNACHT	118.6	13,895.5	8,648.0	533.1	160.0	23,355.2	397.2
Cavan	2.1	2,265.5	6,681.8	764.1	–	9,713.5	1,214.2
Donegal	–	2,053.8	916.5	268.8	–	3,239.1	269.9
Monaghan	–	1,643.5	4,782.2	196.6	0.3	6,622.6	1,161.9
ULSTER (part of)	2.1	5,962.8	12,380.5	1,229.5	0.3	19,575.2	764.7
IRELAND	7,193.5	68,324.6	122,505.0	6,019.4	4,445.3	208,487.8	1,052.4