

RESTRICTED

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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

CURRENT ECONOMIC POSITION
AND PROSPECTS
OF
IRELAND

June 13, 1972

FILE COPY

Europe, Middle East and
North Africa Department

CURRENCY EQUIVALENTS

1 Irish £ = 1 £ Sterling

Before August 15, 1971

1 Irish £ = U.S. \$ 2.40

1 U.S. dollar = Irish £ 0.42

Since December 20, 1971

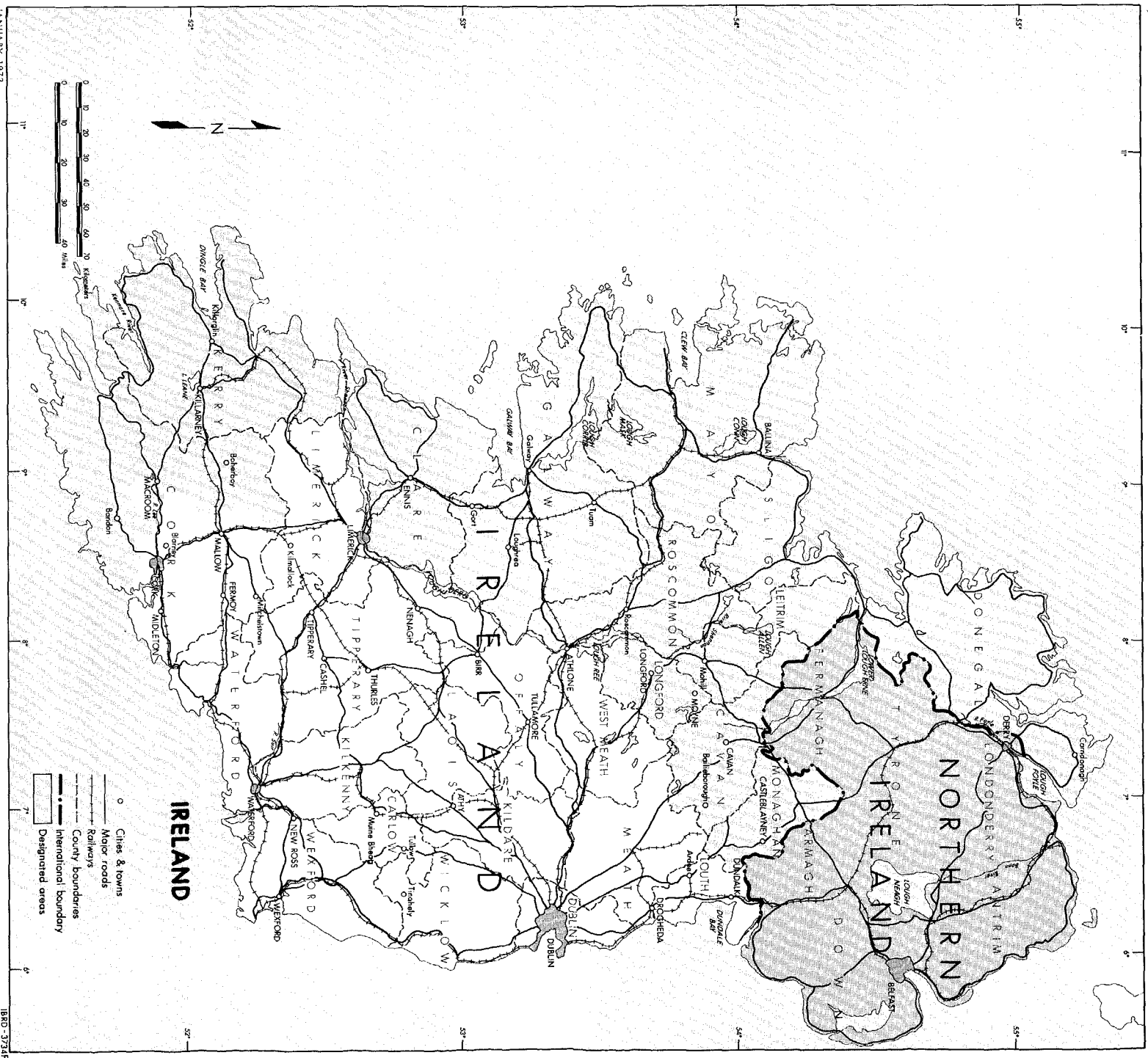
1 Irish £ = U.S. 2.61

1 U.S. dollar = Irish £ 0.38

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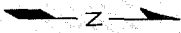
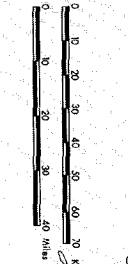
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This report is based on the findings of a mission which visited Ireland in September/October 1971. The mission consisted of Messrs. Robert Armstrong (chief), Louis Currat (general economist), Lawrence Hinkle (general economist), John Ashton (agricultural economist) and Dipak Mazumdar (demographic-employment specialist). The report has incorporated some updated information which was provided to the mission in March/April 1972



JANUARY 1972

IBRD-3734R



- Cities & towns
- Major roads
- Railways
- County boundaries
- International boundary
- ▭ Designated areas

IRELAND

IRELAND - BASIC DATA

<u>Area</u>	27,100 sq. miles
<u>Population</u>	2.97 million
<u>Density</u>	110 per sq. mile

	<u>1951-61</u>	<u>1961-66</u>	<u>1966-71</u>
Annual Rates of Growth	-0.5%	0.5%	0.6%

<u>Gross National Product (1970)</u>		<u>Annual Real Growth Rates (%)</u>			
		<u>1956-60</u>	<u>1961-65</u>	<u>1966-70</u>	
	at market prices	£1,648 million	1.3	3.8	4.0
	at factor cost	£1,398 million	n.a.	3.8	4.0
Per Capita, at factor cost ^{a/}	\$1,140	n.a.	3.4	3.6	

<u>National Accounts</u>		<u>Average Annual Growth Rates</u>			<u>Percent of GDP (current prices)</u>			
	(in percent, based on 1958 prices)	<u>1956-60</u>	<u>1961-65</u>	<u>1966-70</u>	<u>1955</u>	<u>1960</u>	<u>1965</u>	<u>1970</u>
Gross Domestic Product		<u>1.3</u>	<u>3.4</u>	<u>4.6</u> ^{b/}	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
Agricultural Sector		n.a.	0.2	1.4	28	25	21	17
Industrial Sector		n.a.	6.7	6.8	27	30	32	36
Services Sector		n.a.	3.0	4.4	45	45	47	47
Resource Gap (M-X)		-10.6	+20.4	6.6	12	5	9	7
Imports (incl. NFS)		<u>1.1</u>	<u>9.5</u>	<u>7.6</u>	<u>41</u>	<u>36</u>	<u>41</u>	<u>43</u>
Exports (incl. NFS)		4.8	6.8	8.0	29	31	32	36
Consumption Expenditure		<u>0.8</u>	<u>3.3</u>	<u>4.1</u>	<u>93</u>	<u>89</u>	<u>86</u>	<u>84</u>
Private Consumption		<u>0.9</u>	<u>3.3</u>	<u>4.0</u>	<u>81</u>	<u>77</u>	<u>73</u>	<u>70</u>
General Government		0.3	3.3	5.0	12	12	13	14
Fixed Capital Formation		-3.0	12.8	7.1	17	14	20	22
General Government		n.a.	15.1	4.2	n.a.	3	4	5
Public Enterprise plus Private Sector		n.a.	12.2	7.8	n.a.	11	16	18
Investment in Stocks		4.1	14.0	-11.2	2	2	3	1
National Savings		<u>4.8</u>	<u>6.6</u>	<u>3.8</u>	<u>13</u>	<u>16</u>	<u>19</u>	<u>20</u>
Domestic Savings		<u>6.2</u>	<u>7.4</u>	<u>4.0</u>	<u>7</u>	<u>11</u>	<u>14</u>	<u>16</u>
Net Factor Receipts		2.4	5.0	3.3	6	5	5	4

<u>Money and Credit</u>		<u>Annual Growth (%)</u>		<u>End December 1971</u>		
		<u>1961-65</u>	<u>1966-70</u>	<u>(£ million)</u>		
Money Supply		8.0	7.6	509		
Time and Savings Deposits		5.5	14.3	599		
Claims on Private Sector		8.2	11.1	556		
Claims on Government, net		c/	23.0	174		

<u>Price Indices</u>		<u>Annual Change (%)</u>					
		<u>1955-60</u>	<u>1960-65</u>	<u>1965-68</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>
Implicit GNP Deflator		2.8	4.6	3.9	7.8	9.7	9.6
Cost of Living Index		2.6	4.2	3.6	7.4	8.2	9.0
Wholesale Price Index		2.1	3.1	3.5	7.2	5.3	5.4

<u>General Government Operations</u>		<u>Annual Growth (%)</u>		<u>Percent of GDP</u>			<u>1969</u>
		<u>1960-65</u>	<u>1965-69</u>	<u>1960</u>	<u>1965</u>	<u>1969</u>	<u>£ million</u>
Current Receipts		11.4	14.2	24.5	27.7	32.3	459
Current Expenditures		11.2	13.3	24.4	27.4	30.9	439
Depreciation		8.8	11.5	0.9	0.9	0.9	13
Gross Saving		14.1	22.4	1.0	1.2	2.3	33
Gross Fixed Investment		19.3	7.5	2.8	4.5	4.4	63
Other Capital Expenditure		6.9	23.5	2.8	2.6	3.7	58
Overall Deficit		13.8	11.6	4.6	5.8	5.6	88
Domestic Financing, net		7.1	16.5	4.6	4.3	4.9	77
External Financing, net		-	-	0	1.5	0.7	11

a/ Converted to dollars at exchange rate of £ = 2.40

b/ 1965-69

c/ Net claims on government increased from £ -8 million in 1960 to £63 million in 1965.

Basic Data

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Balance of Payments	1966	1969	1970	1971	Annual Growth 1967-71
	(millions of £)				
Exports of Goods	266	396	455	525	14.6%
Imports of Goods	-391	-606	-668	-746	13.8%
Services & Transfers, net ^{a/}	109	141	148	153	7.0%
Current Account Balance	- 16	- 69	- 65	-68	
Net Private Capital	25	33	30)		
Public Enterprise, Net Borrowing	1	31	19)	154	
Net Public Capital	16	11	12)		
SDt Allocation	-	-	6	5	
Change in Reserves (increase = -)	-26	-6	- 2	-91	
Net Foreign Assets (end year)	236	307	333 ^{b/}	399	11.1%
Import Equivalence (in months)	7	6	6 ^{b/}	6	

Trends in Merchandise Trade	Annual Change (%)			Percent of Total	
	1956-60	1961-65	1966-70	1955	1970
<u>Merchandise Imports (c.i.f.)</u>	<u>1</u>	<u>12</u>	<u>12</u>	<u>100</u>	<u>100</u>
Capital Goods	4	19	14	10	17
Fuels & Intermediate Goods	2	9	11	62	56
Consumption Goods	-2	11	14	25	23
Unclassified	-	-	-	3	4
<u>Merchandise Exports</u>	<u>5</u>	<u>10</u>	<u>15</u>	<u>100</u>	<u>100</u>
Cattle & Beef	3	5	9	40	21
Other Agricultural Goods	14	10	10	19	19
Industrial Goods	7	14	19	41	60
Export Unit Value Index	0.1	1.7	4.4		
Import Unit Value Index	0.5	1.2	3.6		
Terms of Trade Index	-0.3	0.5	0.7		

Labor Force and

Output per Worker	in millions			Annual % Change		Percent of Total			Output per Worker (in 1969 Pounds)	
	1955	1960	1970	1956-60	1961-70	1950	1960	1970	1960	1969
Labor Force	1.217	1.055	1.066	-1.6	0.1	100	100	100	805	1,127
Agriculture	.496	.390	.291	-2.6	-2.9	41	37	27	517	714
Industry	.283	.248	.317	-1.5	2.5	23	23	30	952	1,346
Services	.438	.417	.458	-0.5	0.9	36	42	43	988	1,249

I.M.F. Position

	December 31, 1971
Quota	\$131 million
Net Drawings/Fund Sales (-)	-\$5 million

External Public Debt

	December 31, 1971
Total Debt Outstanding	\$644 million
Disbursed	\$522
Debt Service Ratio (1970)	2.1%

Bank Position

	October 31, 1971
Total Loans Outstanding	\$56.5 million
of which Undisbursed	\$46.3 million

a/ Includes errors and omissions

b/ Figure for June 1971; data for 1970 were not available due to the bank dispute

SUMMARY AND CONCLUSIONS

1. The 1960's was a decade of marked progress for the Irish economy, especially when seen against the background of stagnation and heavy emigration characterizing the 1950's. The first two years of the 1970's have been difficult. However, the outlook is favorable for development to accelerate in the mid-1970's, largely because of Ireland's prospective entry into the E.E.C. in January 1973. The principal short-run problem is to bring inflation under control. In the longer-run, Ireland needs to provide more job opportunities in industry and to continue to foster export-led growth. Full employment by 1980 appears a feasible objective, and one consistent with an efficient allocation of resources.
2. Recent disturbances in Northern Ireland have had an adverse impact on tourism and may have contributed to the current sluggishness in private investment. Another effect has been some diversion of attention from matters of economic policy. It is hoped that this situation may not lead to deferring some necessary but possibly unpopular actions on the economic side.
3. GNP growth, which had averaged 4 percent annually in the 1960's, slowed to 1-1/2 percent in 1970 and an estimated 3 percent in 1971. The unemployment rate rose from about 6 percent in the 1960's to over 7 percent in 1970-71. The increase in consumer prices accelerated from 4 percent annually in the period 1965-68 to about 7-1/2 percent in 1969 and over 8 percent in 1970, in large part reflecting a rise in unit wage costs in industry of more than 20 percent in the two year period 1969-70. Since these rises were greater even than in the U.K. (which purchases two-thirds of Irish exports and supplies more than half of Ireland imports), there was some weakening of Ireland's competitive position. Export growth remained steady, but the weakened position of import competing industries contributed both to the slowdown of economic activity and to the widened external deficit in these years.
4. The principal instrument in Government's efforts to control inflation is a national wage agreement which was negotiated in 1970 under a Government threat to impose compulsory restraints. Although its terms were lenient, this "voluntary" agreement has helped to reduce the number of strikes (a principal cause of the 1970 recession) and to slow the previously accelerating rate of wage increases. The labor movement has thus far made a creditable effort to abide by the terms of this agreement. Nevertheless, the rate of inflation in 1971 continued in the order of 8-9 percent, as the full benefit of the agreement will not be realized until 1972.
5. In view of both the openness of the Irish economy (exports plus imports constitute 80 percent of GDP) and the imminence of Ireland's entry into EEC, the Government's present preoccupation with the problem of cost inflation seems well-placed. But its reliance on the national wage agreement as the major instrument of control appears excessive. The present agreement will expire in mid-1972, and while most observers are optimistic

that a new agreement will be negotiated, it is questionable whether this will prove sufficiently restrictive to prevent further deterioration of Ireland's cost competitiveness relative to its major trading partners.

6. The inflation was also fueled on the demand side by rapidly rising Government expenditures up until the 1971 budget, which was considerably more restrained. However, the budget is not a sufficiently flexible instrument of demand management. Current revenues have increased substantially over the years, but the goal has traditionally been to meet the rapidly rising demand for current expenditure. Consequently, the rate of Government savings has remained quite low.

7. The ability of the Irish authorities to conduct an effective monetary policy has been limited by the close ties of the Irish and the U.K. monetary systems. Credit guidelines and a measure of moral suasion have constituted the main policy instruments but these have not proven to be very effective. Ireland's financial structure has become more diversified and responsive in recent years, and a Central Bank Act passed in 1971 now gives the authorities considerably broadened powers to implement monetary policy.

8. The prospects for the immediate future are somewhat mixed. Exports are continuing to grow rapidly, though tourism development is likely to remain depressed as long as the Northern difficulties persist. Foreign investment is continuing, but overall investment demand remains weak. The number of jobs lost in industry in 1971 was twice as high as in 1970, and the unemployment rate is now about 8 percent. Labor relations are improved, but prices are currently rising faster than was hoped for. In order to reduce the excess capacity in the economy, selected reflationary measures were taken in late 1971.

9. Ireland's entry into E.E.C. was approved by a referendum in the Spring of 1972, with both major political parties favoring membership in the Community. Short-run effects of membership will include a boon to agricultural incomes, substantial budget savings, and improvement in the balance of payments through expanded agricultural exports at much higher prices. On the other hand, membership will raise domestic food prices and create difficulties for Irish firms presently unable to compete with European producers. However, the most efficient industries will benefit from access to an enlarged market, and access to this market should also enhance the attractiveness of Ireland to European, Japanese and American investors. This attractiveness is enhanced by the E.E.C.'s agreement to allow Ireland to preserve its present system of incentives, including the tax exemptions on profits from exports.

10. The impact of E.E.C. membership on the labor market is expected to include a reduction in the outflow of workers from agriculture, continuing job losses in inefficient industries, but increased employment opportunities in efficient existing firms and in new industries. The E.E.C. is not expected to have much effect on the direction of emigration, at least in the short run. Ireland will certainly benefit from access to the European Investment Bank and

other E.E.C. sources of finance and technical assistance. This seems especially assured in view of a protocol recognizing Ireland's special needs. The emerging E.E.C. regional policy thus promises to bring substantial benefits to Ireland.

11. Although Ireland's trade deficit (in volume) will probably rise in the coming years, improved terms of trade should largely offset these increases. Thus, economic growth is not likely to be constrained by the balance of payments so much as in the past. Rather, growth will be limited by the socio-economic problems of agriculture and by the adaptability of the industrial structure to the new conditions. There is a particular need for a coherent strategy to reform and develop the agricultural sector. E.E.C. membership will not in itself lead to changes in land tenure, farm structure and agricultural taxation. Much progress has been made by Irish industry to prepare for progressively freer trade, but there is a need for further initiatives in such areas as promoting mergers, expanding training and adaptation programs, improving marketing, and consolidating responsibility for industrial policy.

12. In the short run, growth may be constrained by the scarcity of skilled labor, entrepreneurs and managers to carry out projects and programs -- both in the private and public sectors. Technical assistance from abroad can play a useful role in overcoming the latter constraint, particularly in the area of project preparation. Greater efforts might usefully be made to attract back to Ireland some of the skilled workers and entrepreneurs presently working abroad. In light of Ireland's serious labor problems in the past and its wage inflation at the present time, institutional and legal reforms are needed in both the industrial relations field and in the wage-negotiation process.

13. There is also room for further improvement in macro-economic planning and in the management of the economy. In particular, the budget could be used more as a tool of demand management, and greater efforts may be needed to increase the rate of public savings. Well defined criteria are required to determine the appropriate scale and scope of various subsidy programs, both in agriculture and industry. On the revenue side, tax reform seems particularly warranted in agricultural and personal income tax, and new consideration might be given to some forms of capital gains taxation in view of the current inflationary pressures. Consideration might also be given to adoption of incomes policy measures to strengthen and supplement the National Wage Agreement. Finally, both public and private sector planning would be facilitated by a clarification of the Government's objectives concerning sectoral and regional development.

14. Rapid growth in the mid-1970's (5 percent or above) and full employment by 1980 appear as feasible objectives. It remains for the Government to formulate and elaborate the necessary program, providing the design of development for the transition to full membership in Europe.

15. Despite substantial increases in public foreign borrowing in recent years, Ireland's external public debt remains quite low. As of December 31, 1971, this amounted to \$644 million (of which \$522 million was disbursed). Interest and amortization payments on this debt amounted to only about 2 percent of exports of goods and non-factor services in 1970. This debt service ratio is expected to remain below 5 percent at least through 1977. Ireland appears creditworthy to undertake considerable new borrowing at conventional terms.

I. THE ECONOMIC STRUCTURE

1. Sustained economic growth is a relatively recent phenomenon in Ireland. The country was characterized by economic stagnation, high rates of unemployment and emigration, and a declining population until the late 1950's. This poor economic performance was at least partly attributable to an uneconomic orientation of policy which had self sufficiency as its objective and which employed high tariff barriers over many years as its means. During the 1960's, however, the rate of growth increased to about 4 percent annually (compared with 1-1/2 percent during the previous decade), and Ireland changed from a basically agricultural economy to one in which industry plays a major role. Both gross investment and national savings rose rapidly, their shares of GDP in 1970 reaching 22 percent and 20 percent, respectively. The economy became oriented to export expansion rather than import substitution as it moved rapidly toward freer trade. Import barriers fell significantly while exports grew rapidly, raising the share of imports plus exports in 1970 to about 80 percent of GDP.

Population and Employment

2. The growth of the Irish economy has been constrained by its small domestic market, its meager endowment of natural resources, and until the late 1950's, by certain policies which fostered an uneconomic allocation of resources. The population in mid-1971 numbered just under 3 million -- less than half the population which existed before the famine of the mid-nineteenth century. ^{1/} The secular decline in population was interrupted only in the 1960's, when the rate of emigration dropped below the moderate annual rate of natural increase (1.1 percent). Ireland traditionally has been characterized by a number of exceptional demographic features, including a (still) high emigration rate, a heavy dependency burden, a low marriage rate, a high average age of marriage, and a high married fertility rate. There is growing evidence, however, that the country is entering a new stage of demographic transition, characterized by substantial falls in the age of marriage and in average family size. But the net effects are leaving the natural rate of increase unchanged. The contrast in Irish development between the 1950's and 1960's is most clearly indicated by the difference in emigration rates. In the former decade, there was a decline in population (at a rate of 0.6 percent per annum) as emigration averaged over 40,000 persons annually. Between 1961-66, the emigration rate fell to 16,000 annually and by 1966-71 to 12,000 annually. The result was a population increase of more than 0.5 percent annually in the 1960's.

^{1/} The population of the 26 counties comprising the present Republic of Ireland was 6.5 million in 1841, 5.1 million in 1851 and 3.2 million in 1901. The population of the 6 counties comprising Northern Ireland was 1.6 million in 1841 and about 1.5 million in 1970.

3. To some extent, this reversal of trend was due to the improved performance of the Irish economy in the non-agricultural sector. While employment in industry and services declined in the period 1949-1961 at an annual rate of about 0.2 percent, it increased in the period 1961-70 at a rate of about 1 percent per annum. But the fall in employment in the agricultural sector has shown no sign of slackening. Thus, taking the non-agricultural and agricultural sectors together, the Irish economy has not been able to provide adequate employment for the existing labor force. During the four years 1966-70, for example, there was hardly any increase in total employment, even though this period witnessed the lowest rate of net emigration and the highest rate of population increase in recent times. Not surprisingly, Ireland has registered a significant increase in the total number out of work in the non-agricultural sector, and probably also a fall in the activity rate of the population.

4. A high rate of unemployment has been a basic feature of the Irish economy for many years. In the late 1960's the non-agricultural unemployment rate (based on live register data) was in the order of 6-1/2 percent, but rose to 7 percent in 1970 and 8 percent in 1971. There is still considerable underemployment in agriculture, despite the migration of young people from the sector. But given the advanced age of many farmers and the dominance of family farming, there cannot be said to be a situation of "disguised unemployment" in the conventional sense. The labor problem in the agricultural sector is not so much of open or disguised unemployment as of low income for family workers within the present structure and system of farming.

5. Unemployment is highly concentrated in unskilled occupational groups. However, while Ireland must be considered a "labor surplus" economy as far as these groups are concerned, this over-supply of unskilled labor co-exists with a tight supply of labor in some important skilled trades. The relative shortage of some types of skilled labor is due partly to an apprenticeship system which causes the supply of skilled labor to lag behind demand, and partly to the proximity of the British labor market which has attracted a sizeable number of skilled as well as unskilled emigrants. This dual nature of the Irish labor market is also central to the process of wage inflation which has gone on faster in Ireland than in many other countries of Europe since the early 1960's. The craft unions have been able to obtain substantial wage increases because of tightness in the skilled labor market. These increases have then been transmitted throughout the system as unions of unskilled workers as well as government bodies acted to protect the wage differentials between skilled and unskilled workers.

Economic Sectors

6. Agriculture continues to occupy a central role in the economy. As recently as the mid-1950's, agriculture accounted for as much as 30 percent of GDP and 60 percent of exports. In 1970, agriculture still contributed about 20 percent of GDP and 40 percent of export earnings, and employed one

quarter of the labor force. Employment in agriculture has for many years been declining by about 3 percent annually. Cattle, beef and dairy products are the principal products of the sector. Growth of the sector has been handicapped by problems of market access. Government aids to agriculture have risen sharply in recent years, partly to compensate farmers for the poor returns from export markets, partly to alleviate the poverty of small farmers. Despite the stimulus of Government subsidies, the growth of net output has been very slow -- about 0.5 percent annually in the 1960's. A basic structural constraint lies in the fact that perhaps one-third or more of Irish farmers are on farms too small or otherwise inadequate to gain a satisfactory livelihood. Social and economic objectives for the sector remain mixed, and to some extent contradictory.

7. Industry -- particularly export-oriented industry -- has been the most dynamic growth sector of the past decade, raising its share of GDP from about 27 percent in the mid-1950's to some 36 percent in 1970. Industrial output (in real terms) rose by about 7 percent annually in the 1960's. Industrial exports increased five-fold between the mid-fifties and 1970. Considerable foreign investment in industry has been attracted by a generous program of grants and fiscal incentives and by the duty free access to the U.K. market which Ireland has long enjoyed and which was confirmed and extended under the terms of an Anglo-Irish Free Trade Agreement. This Agreement is progressively bringing about reductions in the traditionally high tariffs which had fostered an inefficient domestic industry oriented to import substitution. The basic structural problem of the sector has been the need to rationalize these home-oriented firms and to foster competitive new industries. Since the late 1950's Irish industrial policy has been directed to encouragement of production for export and to preparation for eventual entry into the E.E.C. Considerable progress has been made in these directions.

8. Tourism became increasingly important in the 1960's, in contrast to the stagnation of the sector through most of the 1950's. This development had important implications for the balance of payments. In the late 1960's, for example, gross tourism earnings of foreign exchange were equivalent to 15 percent of exports of goods and nonfactor services. Moreover, because of the relatively low import content and employment-intensive character of tourist demand, the net effect on the economy was substantial. Another significant aspect of Ireland's tourism development has been the spreading of its employment and income benefits to the poorer and rural parts of the country where unemployment or underemployment has been persistently high.

Productivity and Income Distribution

9. Wide differentials in productivity among sectors is indicated by the fact that the value of output per worker in agriculture remains at little more than half of that in industry and services. Agriculture and industry have experienced much the same rates of growth of productivity over the past twenty years (around 3-1/2 - 4 percent annually). This growth has been remarkably stable through the 1950's and 1960's, despite the marked acceleration in the growth of total output over the past decade. The growth rate

of productivity in services has also been relatively stable, but much lower (averaging about 2 percent annually). Only a very small part of the gains in productivity appear attributable to inter-sectoral shifts, i.e. shifts in employment shares from agriculture (where value-added per worker is low) to industry or services.

10. A relatively low productivity of capital (investment) is also suggested by Ireland's high gross incremental capital/output ratio (ICOR). In agriculture, this remained in the order of 11-12 in both the 1950's and 1960's. There were declines in this period both in the services' ICOR (from about 14 to 8) and in the ICOR for industry (from about 5 to 3+). A greater utilization of capacity in the 1960's mainly accounted for the decline in the overall ICOR from 9 to under 6, but even the latter value is high by international standards. The Government is moving to improve the productivity its own investment by progressively introducing cost-benefit analysis into the public capital program and by re-evaluating the efficiency of its incentives to private investment.

11. Inequalities of income distribution in Ireland largely reflect productivity differentials. Data is scarce, but there is a clear correlation between regions having high per capita incomes and low shares of their labor force engaged in agriculture, and vice versa. For example, per capita income in the Eastern Planning Region (agricultural employment, 8 percent) is estimated to be about 75 percent higher than in three western regions (agricultural employment over 50 percent). The relative poverty of the western counties is a longstanding Irish problem. Government measures to alleviate this condition have included the Congested Districts Board (1891-1923) and more recently the Underdeveloped Areas Act of 1952. This Act established a body to encourage industrial undertakings in the Underdeveloped Areas (roughly the western half of the country, formerly called Congested Districts, now called Designated Areas) Programs and incentives of the Industrial Development Authority (I.D.A.) are presently differentiated in favor of these areas which total about one-third of total population and receive about one-fourth of total income.

Economic Planning and Management

12. Economic planning in Ireland is a recent phenomenon, dating from the 1958 adoption of a five-year (1959-1963) development program. This program comprised a broad inventory of development potentialities and suggested a number of specific policy measures, including a rapid expansion of the public capital program. This program was a success in that it had a very favorable impact on national confidence, and its modest targets were exceeded. A Second Programme for the period 1964-70 was a more elaborate exercise in the fashion of French indicative planning. This plan proved overly ambitious and was incorrectly based on an assumption of Ireland's entry into E.E.C. by 1970. It was supplanted by the current 1968-1972 Third Programme. The approach of this plan represents a compromise between the approaches of the two previous plans. However, the influence of this Plan has been severely limited by a sequence of events (strikes, rapid inflation, the Northern troubles, etc.) which were not anticipated by its framers.

13. The Government has played an increasingly important role in stimulating the economy. The extent of this role is indicated by the fact that current expenditures of the Central Government are presently equal to 27 percent of GDP, while the public capital program exceeds 10 percent of GDP and finances over half of gross fixed investment. Government savings, on the other hand, have been negligible until recently, and remain low. There has been a growing concern that Ireland's extensive system of subsidies -- while undoubtedly stimulating production -- has been placed too impartially at the disposal of the inefficient as well as the efficient, especially in agriculture, but also in industry. Because of the availability of such a wide range of State aids, the Irish economy has appeared to be one in which inefficiency often carries only light penalties.

International Economic Relations

14. Many of Ireland's economic characteristics and problems have been created or complicated by political or social issues that are a legacy from its history -- particularly the history of Anglo-Irish relations. A salient feature of the present-day Irish economy is the large extent to which it is integrated with -- and dependent upon -- the British economy. Three-fourths of the Irish agricultural exports and two-thirds of total exports are directed to the U.K., which supplies over half of Ireland total imports. Aggregate demand and prices are therefore quite responsive to developments in the British economy.

15. There are close relationships also between British and Irish labor and capital markets. Irish migratory movements, labor relations and wage determination remain greatly influenced by conditions in the British labor market. The degree of integration of the financial market is even more pronounced. Ireland is in an effective monetary union with the U.K. Movements of funds are unrestricted between the countries, and the Irish pound is at par with the pound sterling, having devalued simultaneously with the British pound both in 1949 and 1967 and maintained its parity in 1971. Under existing institutional arrangements, there has been little scope for conduct of independent interest rate, exchange rate, or capital control policies. The underdevelopment of the Irish capital market is also a reflection of these conditions.

16. One legacy of Anglo-Irish history which is presently having an adverse effect upon the economy of the Republic is the troubled situation in Northern Ireland. This conflict is mainly responsible for the recent stagnation in tourist receipts (especially from British tourists) and has probably contributed to the current sluggishness in private investment. Another effect has been some diversion of attention from matters of economic policy.

17. Ireland's GNP rose in the 1960's at a considerably faster rate than in the U.K., proving that economic activity in Ireland is not wholly dependent upon British growth. Nevertheless, the degree of dependence remains such as effectively to force Ireland to follow the course of British

vis-a-vis the Common Market. However, the Irish also see E.E.C. membership as a means of achieving their longstanding objective of reducing their dependence on Britain. Negotiations with the E.E.C. were concluded in January 1972, with membership to begin in January 1973. A referendum to approve the required constitutional changes was held in May 1972. Approval was given by a four-to-one majority. Both the Government party and the principal opposition party have been in favor of E.E.C. membership.

II. THE CURRENT ECONOMIC SITUATION

Macro-Economic Trends

18. With the exception of a short recession in 1965/66, economic growth in the 1960's was relatively steady, and considerably faster than in the previous decade. The salient feature of this development was the rapid growth of exports, achieved through a range of measures to promote export-oriented industry and through new policies to attract foreign enterprise and capital. Together with a rapidly growing external sector went a high and relatively stable growth of domestic demand, stimulated by an expansionary fiscal policy -- including a rapidly increasing public capital program. Construction and tourism were also sectors of substantial growth. Savings rose apace with investment, and both increased significantly in relation to GDP. Prices, and especially unit wage costs rose somewhat faster than in most countries.

19. Since mid-1969, however, there was a slowing in the rate of growth, while at the same time inflationary pressures intensified, unemployment rose, and the balance of payments deficit widened. Real GNP grew by only 1-1/2 percent in 1970, and an estimated 3 percent in 1971. The unemployment ratio, which had averaged about 6 percent in the 1960's, rose to over 7 percent in 1970 and about 8 percent by late 1971.

Table 1: Major Economic Variables 1965-1971

(Annual change in %)

	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971 est.</u>
GDP (constant 1958 market prices)	1.7	5.3	7.4	4.6	1.7	3
Fixed Investment (1958 prices)	-3.2	6.6	12.1	23.3	-1.3	8 /a
Exports of goods & services /b	12.7	11.6	15.9	10.3	12.5	11.5
Imports of goods & services /b	3.8	3.9	24.6	17.7	10.2	10.5
Money and Quasi Money	8.4	11.8	14.4	9.9	10.7	
Consumer Price Index	3.0	3.2	4.7	7.4	8.2	8 to 9
Government Current Revenue	13.3	12.0	13.1	20.0	13.2	12.5 /c
Government Current Expenditure	9.1	13.8	13.4	18.2	19.9	11.9 /c
Public Capital Program	2.5	12.8	26.2	21.9	9.4	1.9 /c
Productivity) in manufacturing	2.7	6.2	6.7	2.3	3.8	4
Earnings per Hour) industry	9.4	7.4	8.8	12.8	16.1	16
Unit Wage Costs	5.7	1.8	1.8	10.3	12.5	11
(United Kingdom)	(3.8)	(-0.9)	(0.9)	(6.3)	(10.9)	(6 to 7)
Non-Agricultural Employment	-	1.2	1.8	2.1	0.6	1.8
Unemployment Ratio	6.1	6.7	6.7	6.4	7.2	8
				(in £ million)		
Balance of Payments Deficit (Surplus = +)	-16	+15	-16	-69	-62	-68

/a Mainly aircraft and construction

/b In current prices, excluding factor incomes

/c 1971 budget figures

20. The slowdown beginning in 1969 was largely attributable to a sharp rise in the number of days lost through strikes in that year. In 1970, the situation worsened as prolonged strikes (notably in the cement industry and banking sector) caused the loss of over a million working days. These disputes and wage negotiations in general were settled on inflationary terms. The consumer price index (which had risen at an average rate of 4 percent annually in the period 1965-68) rose by about 7-1/2 percent in 1969 and by over 8 percent in 1970. Other factors contributing to the inflationary pressure included the impact of the devaluation of November 1967, the effects of rising prices abroad on a very open economy, and the expansionary fiscal and monetary policies of the late 1960's and 1970. 1/

1/ These policies have been described in more detail in the report of P. Chabrier and A. Mittelstaedt, Ireland: Recent Economic Developments, International Monetary Fund, April 1971.

21. The trends in industrial wages and in unit wage costs have been disturbing. Irish wage rates approximately doubled between 1963-70, while U.K. wage rates rose by about two-thirds. Consequently, wage rates in Ireland are now nearly equal to those in the U.K. Between 1963 and 1970 unit wage costs also rose faster in Ireland than in the U.K. or in any of the major E.E.C. countries. This weakening of Ireland's competitive position -- particularly in certain import competing industries -- contributed both to the slowdown of economic activity and to a widened current external deficit in these years.

Demand Management

22. Because of these developments, the Government has become increasingly convinced of the need to control inflationary pressures. The principal instrument of this effort is a "voluntary" national wage agreement which was negotiated under a Government threat to impose compulsory restraints. Although its terms were rather lenient (partly because they include an escalator clause tying wage increases to the consumer price index), this agreement has helped to reduce the number of strikes and to slow the previously accelerating rate of wage increases. Thus far, the labor movement has made a determined effort to abide by its terms. Nevertheless, inflation has continued at a rate of 8-9 percent in 1971 as the full benefit of the agreement will not be realized until 1972. The wage agreement will expire in mid-1972. While most observers are optimistic that a new agreement will be negotiated, it is questionable whether this will be restrictive enough to improve -- or at least to prevent a further deterioration in Ireland's cost competitiveness.

23. The inflationary process was also fueled on the demand side by rapidly rising Government expenditures. In the two year period 1969-70, for example, current expenditures rose by over 40 percent and the public capital program rose by one third. The 1971 budget was, however, considerably less expansive, limiting the rise in current expenditure to 12 percent and the rise in the public capital program to 2 percent. Nevertheless, as presented constructed, the budget is not a flexible instrument of demand management. ^{1/} Taxes have been raised substantially in recent years, but the objective of revenue policies traditionally has been to meet rapidly rising demands for current expenditure, including very large subsidies to agriculture. One consequence of this approach has been a very low rate of Government savings. In the period 1966-69, gross Government savings remained at about 2.3 percent of GDP, and net savings averaged 1.4 percent of GDP.

^{1/} Some rationalization of the budget is occurring with the progressive introduction of PPBS techniques into the Departments and with the application of cost/benefit tests to the capital budget.

24. In order to finance its rapidly growing investment program, therefore, the Government has relied to a large extent on deficit financing. Between 1966-1970, for example, about 55 percent of total capital financing requirements were raised by borrowing, and these borrowings were in the order of 5-6 percent of GDP. The share of external borrowing has remained small relative to domestic borrowing, although the absolute amount of foreign borrowing increased substantially in the years since 1969. ^{1/} The gross debt service (including amortization) amounted to about 18 percent of central government current revenues in 1970.

25. In the circumstances, the posture of the monetary authorities has tended to be determined by the Government's fiscal policy, as Central Bank efforts to restrain credit expansion have had limited effects on Government borrowing. Policy coordination between the Central Bank and Government needs to be strengthened.

26. There have been other limitations on the authorities' capacity to use monetary and interest rate policies as tools of demand management. Credit guidelines and moral suasion have been the main instruments in the past. The effectiveness of monetary policy has also been constrained by the close ties of the Irish and U.K. monetary systems and capital markets. However, major changes have taken place in Ireland's financial structure in recent years. Domestic banks have merged, new foreign banks and merchant banks entered the credit market, industrial banks became more important, and the volume of credit (up until mid-1971) expanded rapidly. A new Central Bank Act passed in 1971 now gives the authorities greatly broadened powers over this changed banking system, though it may take some time before these powers can be used effectively.

27. The growth of private credit has been sluggish in recent months, reflecting mainly a general hesitancy in the investment climate. Private investment (except in construction and aircraft) has been depressed by a number of factors. Corporate savings have been squeezed by the general slowdown in domestic economic activity and by increased wages and corporate income taxes. ^{2/} Uncertainties related to the Northern situation and to prospects for E.E.C. membership and its implications may also have played a role. Partly because Ireland's wage and cost inflation in 1971 appears to have been less than that of Britain, and in view of the excess capacity in the economy, the Government took selected reflationary measures in November 1971. These included a £20 million increase in the public capital program, a reduction in company taxation and the removal of restrictions on hire-purchase transactions.

^{1/} See below, Table 2, paragraphs 35-36, and also Table 5.4 in the Statistical Annex.

^{2/} Corporate income taxes had been raised from 50 to 58 percent in the last budget. The supplementary measures of November 1971 include a rollback of this rate (in two stages) to its former level of 50 percent.

Balance of Payments and External Debt

28. Despite the slowed growth, the balance of payments deficit on current account is estimated to reach a record £70 million in 1971. ^{1/} Though the current account deficits have been large (equivalent to nearly 5 percent of GDP), capital inflows have been even greater, and reserves have continued to rise. As of July 1971, the reserve level was £330 million (up £40 million from December 1970) equivalent to over 6 months' imports. Unexpected short-term capital inflows (in response to the worldwide monetary adjustments) led to a further rise in reserves in the latter half of 1971. Ireland's net foreign assets reached £381 million at end December 1971.

Table 2. Balance of Payments Summary

(in £ millions)

	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971 est.</u>
Exports, f.o.b.	266	307	356	396	455	525
Imports, c.i.f.	-391	-407	-509	-605	-668	746
<u>Trade Deficit</u>	<u>-125</u>	<u>-100</u>	<u>-153</u>	<u>-209</u>	<u>-213</u>	<u>-221</u>
Non-factor services, net	49	55	59	63	62	
Receipts	(94)	(101)	(114)	(122)	(127)	
Payments	(-45)	(46)	(55)	(59)	(65)	
Factor Services & Transfers, net	50	55	69	67	73	153
Receipts	(80)	(85)	(99)	(102)	(113)	
Payments	(30)	(30)	(30)	(35)	(40)	
Errors & Omissions	10	5	10	10	13	
<u>Current Balance</u>	<u>-16</u>	<u>15</u>	<u>-16</u>	<u>-69</u>	<u>-65</u>	<u>-68</u>
Private Capital, net	25	27	7	33	31	
Public Enterprises, net borrowing	1	3	1	31	19	
Government Capital, net	16	2	-	11	11	
SDR Allocation	-	-	-	-	6	
<u>Total Capital Movements</u>	<u>42</u>	<u>32</u>	<u>8</u>	<u>75</u>	<u>64</u>	
<u>Change in Reserves</u>						
(increase = -)	-26	-47	+8	-6	-2 ^{/a}	-68

^{/a} Inclusive of SDR holdings of £5.6 million.

^{1/} It should be noted that large purchases of ships and aircraft (mainly the latter) significantly inflated the deficits in 1969 and 1971. In those two years, ship and aircraft purchases amounted to £20 million and £25 million, respectively -- compared to £11 million in 1970. Net of these purchases, the current deficit would amount to about £43 million in 1971, compared with an average of about £52 million in 1969 and 1970.

29. Merchandise exports grew at an annual rate of 12 percent (8 percent in volume) during the 1960's. This export expansion was led by industrial products, which grew by 15 percent annually, increasing their share in total exports from 42 to 60 percent. These exports were produced by a wide range of new and traditional industries. Agricultural exports (of which cattle and beef accounted for slightly over one-half in 1970), increased more slowly (by 8 percent annually).

30. Merchandise imports also increased rapidly in the 1960's, growing at an average annual rate of 12 percent (8-1/2 percent in volume). Imports of finished capital goods rose the fastest (by 16 percent annually), reflecting both the rapid industrialization and the purchase of expensive transport equipment. In 1970, the composition of imports was 18 percent in finished capital goods, 58 percent in raw materials and semi-finished goods, and 24 percent in consumption goods. The elasticity of demand for imports (with respect to GNP) has been about 2.0 in recent years.

31. The share of Ireland's exports directed to the U.K. declined during the decade (from three-fourths to two thirds), while the U.K. continued to supply about half of total imports. The share of Irish exports to E.E.C. rose from 6 percent in 1960 to 12 percent in 1970; the share of imports from E.E.C. rose from 13 percent to 17 percent in this period.

32. Even though exports grew slightly faster than imports in the 1960's, Ireland's trade deficit still increased, since imports were 50 percent higher than exports in 1960. However, about 70 percent of the trade deficit was offset by Ireland's positive balance on services and transfers in 1970 and 1971.

33. Ireland has consistently had a positive balance on non-factor services. Tourism has been a major source of foreign exchange earnings, accounting in 1970 for £77 million or the equivalent of 17 percent of merchandise exports. However, while tourism earnings grew by more than 8 percent annually from 1960 to 1968, they have stagnated since then because of the civil disturbances in Northern Ireland. Since the Irish tourist industry is heavily dependent on the British and Northern Ireland markets, there is likely to be little real growth in tourist receipts as long as these disturbances continue.

34. Ireland's net receipts from factor services and current transfers have also been substantial. In 1970, the gross receipts consisted mainly of investment income (£57 million), emigrant's remittances (£24 million) and transfers of pensions and allowances (£13 million). Gross payments in 1970 consisted largely of profits and interest on private investments (£38 million). Mainly on account of the large investment of Irish savings in the U.K., Ireland had a positive net balance of £19 million in the flow of investment income.

35. Until very recently, private capital movements accounted for the major share of total capital flows (net). In the period 1966-68, for example, private capital inflows averaged £20 million annually, while public borrowing (including state enterprises) averaged only £8 million per year.

In 1969-70, however, public borrowings averaged £36 million as compared with an average private capital inflow of £32 million. Public borrowing in 1971 was projected at about the same rate as in 1969-70.

36. Despite these substantial recent increases in public foreign borrowing, Ireland's external public debt is still quite moderate -- amounting to less than 15 percent of GNP. As of December 31, 1971, this amounted to \$644 million of which \$354 million was disbursed. Of the disbursed debt, slightly more than 40 percent consisted of publicly issued bonds, a quarter of loans from financial institutions, and another quarter of loans from governments; only 2 percent consisted of suppliers credits. Germany, the U.K. and the Euro-bond market have been the principal sources of public funds. Interest and amortization payments on the public debt amounted to only about 2 percent of exports of goods and non-factor services in 1970.

III. AGRICULTURE

37. Although the relative importance of agriculture diminished considerably in the 1960's, this sector continues to occupy a central role in the economy. However, the structure of the sector constitutes a major economic and social problem. Government expenditure on agriculture has risen sharply in recent years, partly to compensate farmers for poor returns from export markets, partly to alleviate social hardships. But only limited progress has been made toward rationalizing the sector, where the small size of the average holding and the advanced age and limited education of farmers have combined with social attitudes towards landownership to keep productivity low. Ireland's entry into the E.E.C. should bring a new prosperity to the sector in the mid-1970's. But there remains a need for a strengthened program for agricultural development. This will call for: (i) the continued absorption of labor into other sectors, and the provision of adequate retirement income for those too old to seek employment elsewhere; and (ii) increased farm productivity through improved technology, land consolidation, increased investment, better credit facilities, and improved farmer education.

Output and Employment

38. Irish agriculture presently generates about one-fifth of the country's national income (compared with about one quarter in 1960), employs one quarter of the labor force (one-third in 1960), and accounts for over 40 percent of export earnings (nearly 60 percent in 1960). About half of Ireland's agricultural output is exported. Livestock production (especially grazing livestock) is by far the most important branch of production, accounting for over three-fourths of gross agricultural output. In 1970, for example, cattle accounted for about one-third of gross output, ^{1/} dairy products contributed about one quarter, pigs 12 percent and other livestock and livestock

^{1/} Cattle production is defined here to include sales both for slaughter and for the traditional store cattle trade to the U.K.

products, 10 percent. These proportions have changed little over the past decade.

39. In terms of exports, cattle production is of even greater relative importance. In 1970, live cattle and beef exports each contributed about a quarter of total agricultural exports, compared with 14 percent from dairy exports and 8 percent from pig meat exports. Virtually the entire export of cattle and two-thirds of beef exports are still directed to the U.K., but some new markets have been developed, notably in the U.S.A. for beef. Ireland has experienced difficulty in expanding its export markets. Favorable conditions were negotiated for cattle and beef sales to the U.K. under the Anglo-Irish Free Trade Agreement, but other commodities have been sold at unfavorable prices, and, in some cases, with difficulties over market access. For example, the butter, cheese and bacon markets in the U.K. have been subject to various quantitative import restrictions in recent years, and the E.E.C. barriers have limited agricultural export sales to that market to only 6 percent of Ireland's total agricultural exports.

40. Agricultural output and exports rose substantially over the past decade, but insofar as these increases were accompanied by large rises also in the use of non-farm inputs (some of which were imported), the net contribution to value added and to the net balance of payments position was considerably less. Thus, whereas the volume of gross agricultural output rose by 28 percent between 1960 and 1970, the volume of food, seed and fertilizer inputs rose by nearly 50 percent. The increase in value added in agriculture (at constant prices) averaged only about 0.7 percent annually over the period.

41. This modest rise in net output should be viewed against a reported decline in the agricultural labor force averaging 2.9 percent annually between 1960 and 1970. On commercial farms, the hired labor force declined in this period from 55,000 to 31,000. Since most of the increase in output was achieved in commercial agriculture, the improvement in labor productivity on those farms is likely to have been much more marked than the average.

Structural Problems

42. Land tenure and farm structure are areas of special significance in Irish agriculture. A major national goal (written into the Constitution) was the creation of farm units from estates and large farms, and the settlement of landless workers. ^{1/} Land is held by owner-occupiers, and tenancy, other than short-term, is unusual and has not been encouraged. Turnover of farms is very slow and they mainly change hands by inheritance. The average acreage size is small, with almost 50 percent of farm units under 30 acres and only 30 percent over 50 acres.

^{1/} Constitution Article 45, Directive Principles of Social Policy, states: "That there may be established on land in economic security as many families as in the circumstances shall be practicable."

43. In effect, there are two contrasting parts of agriculture in Ireland. There are the commercial farms in the East, the Midlands and the South. These farms are tending to become modernized, more specialized and capital intensive. They have accounted for much of the expansion in recent years. Then there are the poor-land farms, largely situated in the West, with small acreages, on wet and unproductive soils and often highly fragmented. Output here is limited, and the areas where they exist have been denuded of young people, who seek employment elsewhere. Many are part-time in the conventional sense, some being occupied by elderly persons deriving a small income from the farm but possibly also receiving remittances from relatives.

44. In 1970, a Government-appointed Committee published the following classification of Irish farms according to their degree of economic viability: 1/

<u>Categories of Farms</u>	<u>No. of farms</u>	<u>Proportion of output</u>	<u>Annual Average Income (1967)</u>
Viable	88,000	69 percent	£1250
Potentially viable	44,000	14 percent	£ 500
Non-viable	<u>68,000</u>	<u>17 percent</u>	<u>£ 200</u>
Total	200,000	100 percent	£ 600

45. Over the next few years, improved market conditions should raise some additional farms to the status of viability, but only about 100,000 (or 50 percent of existing farms) appear likely to become fully viable -- at most. The others should be used to enlarge present farms or as a source of part-time employment for farmers engaged in other occupations. However, rapid progress in farm enlargement and consolidation will be constrained both by social factors and by the availability of sufficient off-farm employment opportunities to entice active but underemployed labor off the unviable farms.

46. Among the social factors presently constraining agricultural development is the high age structure of the farm population. In 1966, half of all Irish farmers were 55 years old or over. The vast majority of the older farmers have had only a primary education. Hence, they are relatively resistant to new ideas and new technologies in agriculture, and they are usually not equipped for employment opportunities outside farming -- even if such opportunities existed in sufficient numbers. Hence, full implementation of retirement schemes in agriculture will be a necessary part of the economic rationalization of the sector. Ireland stands to benefit in this area -- as in other areas of farm structure reform -- from assistance expected to be made available under the Mansholt Plan for E.E.C. agricultural

1/ Report of the Committee on the Review of State Expenditure in Relation to Agriculture. (Stationery Office, Dublin, 1970).

reform. Among the proposals of that Plan is the payment of a premium to farmers who would make their land available for the enlargement of other farms, either by selling or letting it, and in addition to the premium, the payment of a pension to elderly farmers who retire. The movement toward farm enlargement is also hindered by prejudices against tenancy and by the limited availability of loans for farm purchase.

47. There is of course considerable scope on Irish farms for raising output and incomes substantially without necessarily increasing the acreages involved. On commercial as well as subsistence farms, growth has been limited by technological, capital, and marketing constraints. Steps to overcome these constraints will therefore have to include improvement of farmer education, a major expansion in agricultural finance, and better co-operatives and other institutions for farmer purchasing and marketing.

Credit and Marketing Organizations

48. The demand for capital in agriculture has risen rapidly. Commercial banks, the main source of short-term credit, increased their advances from £38 million in 1961 to the current level of £77 million to farmers and £14 million to dairy cooperatives. Since 1961, the Agricultural Credit Corporation (ACC) has also emerged as a significant lender. The ACC's current annual level of lending is about £9 million, with £32 million outstanding. The rapid growth in lending to agriculture is expected to continue, reflecting changed attitudes of commercial farmers, the adoption of capital-intensive technology, and the need to adopt to the agricultural policy of the E.E.C. with its much higher prices.

49. A number of organizations have been developed to cope with Ireland's marketing problems. The Dairy Board, the Potato Marketing Board and the Pig and Bacon Commission have been directly involved in trade, while the Livestock Commission was set up recently to aid the development of marketing channels and to promote the sale of Irish meat and livestock. There are numerous other state sponsored bodies concerned with the domestic market, notably the Irish Sugar Company, the Cereals Board and the Dublin and Cork Milk Boards. In all, for both the export and domestic markets, this represents an extensive superstructure of institutions, some of which have a considerable degree of monopoly power.

50. Traditionally, cooperatives have played a prominent role in Irish agriculture, especially the cooperative creameries. Some are notably successful and have diversified their interests to supply inputs and to sell a range of products. Many, however, are small in size and undercapitalized. Various attempts have been made to improve the organization so that viable units emerge -- with mixed degrees of success.

Government Policies

51. Government policies have sought both to stimulate production and to achieve some minimum level of well-being on Ireland's poorer farms. However, this has been an area wherein economic and commercial objectives have

been masked by social goals. The problem farms have influenced to a large degree the nature and extent of Government supports, but they have gained relatively few of the benefits apart from exemption from local taxes. ^{1/}

52. The expansion of agricultural output in the 1960's was encouraged by a substantial increase in subsidies. Between 1960/61 and 1970/71, government expenditure on agriculture rose almost fourfold, reaching about £96 million in 1970/71 and an estimated £100 million in 1971/72. The biggest growth occurred in subsidies on product prices; these rose during the decade from £4 million to £37 million. Of the latter sum, about £30 million was paid for milk products, to bring prices received in export markets up to the level guaranteed to the farmer. This subsidy now amounts to even more than the current value of dairy exports.

53. Other state aids affecting farm incomes include abatements of local taxes and land purchase commitments, which together cost £22 million in 1970/71. Some subsidies also contain an incentive element (e.g. the fertilizer subsidy), while others (e.g. headage payments on cattle, sheep and pigs) are aimed at promoting certain lines of production. In 1970/71, these amounted to £7 million and £6 million, respectively.

54. Government aids for capital purposes include grants for new buildings, water supplies and land reclamation, which together cost £8 million in 1970/71. Other state expenditure on agriculture includes outlays for disease eradication and livestock improvement schemes, research and advisory work, agricultural education, main drainage schemes, and rural electrification. These items together cost £15 million in 1970/71.

55. The level of state expenditure of agriculture has become crucial question, given the burden it represents to the Exchequer and the wide range of support categories involved. Moreover, in the case of commodity subsidies, the support has been available without limit on the volume of eligible produce. At the same time that agricultural incomes are exempt from direct taxation, state expenditure on agriculture absorbs 22 percent of current revenues and is equal to nearly half of the net value added in the sector.

The E.E.C. and Future Development

56. The prospect of E.E.C. membership represents a significant opportunity for Irish agriculture. In return for opening its own economy, Ireland will have open access to a very large market, and prices will improve substantially, especially for cattle and beef, butter, cheese and other milk products, and to a lesser extent for pig meat. Price levels will be maintained through the operation of import levies and through intervention buying. In

^{1/} In addition, because their incomes are judged to be at such a low level, they have the right to draw unemployment relief in the twelve western counties. On the other hand, the larger farmers have gained most of the benefit of the commodity subsidies and development grants.

addition, beginning in 1973 the Government will be relieved from about £23 million in the costs of commodity subsidies, and these savings should rise to about £30 million over the succeeding years of the transition period.

57. The following projection provides an indication of relative changes in Irish production that might occur by 1980: 1/

<u>Commodity</u>	Actual	Projection
	1968	1980
	('000 metric tons)	
Grains	1.427	1,296
Milk (butter fat equivalent)	126	316
Beef and veal	337	682
Mutton and lamb	50	21
Pig meat	115	39
Poultry meat	25	45
Eggs	41	34

These projections assume enlargement of the E.E.C. and continuation of the present Common Agricultural Policy. Their main value is in giving an indication of the possible direction and extent of relative changes among commodities and, therefore, the comparative benefits of the different opportunities. Thus, a large increase is projected in milk and cattle production, reflecting the incentive of much higher prices and the advantage enjoyed in grassland production. A modest decline is projected for grain, largely reflecting the competitive pressure on grain markets within the enlarged community and less favorable production possibilities in Ireland. A major decline in pig meat production is seen as a consequence of the high cost of producing pigs in Ireland with imported feed grain.

58. Because of favorable price changes, the net income of the agricultural sector could well double in money terms by the late 1970's, even with a less pronounced supply response than is suggested in the projection. Agricultural export earnings could treble in the same period if the opportunities are seized, with average annual increases of up to 20 percent while the sector is adjusting to the new situation. Against this background, most of the farms which are only partly viable at present will have greatly enhanced prospects, and there will be some modest benefits on the non-viable farms, e.g. from cattle prices.

1/ Based on Table 5, "The Market for Agricultural Goods in an Enlarged European Community." T. Josling and D. Lucey, Dublin, October 1971, to be published in Journal of Irish Agricultural Economics Society. These projections differ somewhat from Government projections which are shown in Table 7.4 in the Statistical Annex. The Government projections were provided in February 1972. The main difference between the two sets of projections are the more optimistic forecasts for pigmeat, mutton and lamb in the Government forecasts.

Future Policy Issues

59. The new price situation will not by itself solve the poor farm problem, and there is a danger that the new prosperity awaiting the sector as a whole may diminish the sense of urgency in carrying out needed structural reforms. On the other hand, the new aids which should become available from the E.E.C. could provide a new stimulus to deal constructively with the social problems of the sector. In any event, the likelihood is that both land and labor must continue to retire from agricultural production. In the medium term, the rate of outmigration of labor from agriculture should diminish somewhat, from about 10,000 annually to perhaps 6,000 annually in the mid-1970's. Moreover, since the enlarged E.E.C. is likely to be self-sufficient at an early stage in most products except beef and some grains, there is likely to be some withdrawal of land from production, and Ireland would presumably participate in such a development. There is also the possibility that supplies of dairy products within the E.E.C. may become excessive. While financial responsibility for such surpluses will henceforth rest in Brussels, the prospects and confidence of the industry could be affected adversely. This could be an area in which the Government's perception of the optimal long-run composition of output could differ from that of private producers responding to current price signals.

60. A few additional cautionary notes should also be sounded. For example, inflation may erode some of the benefits of the higher agricultural export prices. For the general public, moreover, entry into E.E.C. will give rise to increases in food prices estimated at up to 3 percent annually in the transition period -- not including allowances for inflation in the E.E.C. As a consequence, some of the public expenditure saved from price subsidies is expected to be allocated to income supplementation for lower income groups.

61. Inflationary pressures could also be intensified by the large increases in agricultural incomes, some of which will be in the category of windfall increases. In view of these prospects, it would now be opportune to re-examine the tax position of farmers, who are not required to pay any form of tax on their farm business nor any personal income tax in their farm income. At present, their liability for tax is limited to the payment of local property tax, and some farmers are also exempt from this. The time now appears propitious for farmers to be brought within the general income tax system.

62. The projected growth in agricultural output and exports will be associated with large increases in non-farm inputs, including imports of machinery, fertilizers, feeding stuffs and possibly new food imports as the market is opened to competition. Especially in light of the disappointing growth in net output in recent years, there are grounds for concern about the efficiency with which these increased inputs will be used. In any event, the industry will need to find large amounts of capital for expansion and modernization. A doubling of the cattle population, for instance, could imply an added investment of at least £250-300 million. Much of this will

come from enhanced farm revenues, but greatly increased demand for working and long-term capital will also be directed to credit institutions.

63. Finally, there will be a need to develop appropriate institutions, or adapt existing ones, to deal with the new marketing situation. For instance, the role of various State-sponsored monopoly export organizations and other bodies must change if they are to function effectively in the E.E.C. framework. Under E.E.C. conditions, the agricultural economy as a whole will have to adapt to new competitive forces. Hitherto, Irish agriculture has been a highly protected industry in its domestic context. The new situation could give rise to movements of foreign talents and capital into Irish agriculture and agricultural industries. While such movements may conflict with traditional national objectives, they should also provide a beneficial stimulus to the industry and its institutions.

IV. MANUFACTURING AND MINING

64. Manufacturing was the leading growth sector of the past decade. Foreign and domestic investment in manufacturing have been stimulated by an extensive program of incentives which favor export industries in particular. There has also been substantial progress in rationalizing domestic industry in response to progressively freer trade and in anticipation of eventual E.E.C. membership. Entry into E.E.C. will constitute a threat to some industries, an opportunity for others. New Government initiatives are needed further to rationalize the industrial structure and to improve the efficiency of subsidies and other incentives through more discriminant allocation.

The Growth of Manufacturing

65. The volume of manufacturing output grew by 7 percent annually in the 1960's, raising industry's share in GDP to 36 percent in 1970. Industrial employment grew by 2-1/2 percent per year and accounted for 30 percent of total employment in 1970. Exports of manufacturing industries have grown by over 15 percent annually while the share of industrial exports in total exports increased from one third to one half. About 35 percent of the increase in industrial production in the 1960's was exported, raising the share of industrial exports to nearly 30 percent of industrial output in 1970.

66. The performance of different industrial groups varied considerably. Newer export industries in general grew rapidly, while several important traditional industries expanded more slowly. The most dynamic industries were chemicals, structural clay products and cement, and miscellaneous manufacturing industries (including rubber and plastics manufactures).

67. Total investment in manufacturing grew rapidly from a level of about £11 million in 1959 to around £60 million in 1969. The share of

industrial investment in total investment increased from about 15 percent in the late 1950's to remain around 20 percent since the early 1960's. The largest net investments were in food, metals and engineering, chemicals, drink and tobacco and clay cement and glass industries. The largest increases in percentage terms were in the dynamic growth groups noted above. These same groups also tended to have the highest growth in output per worker. Labor productivity in all of manufacturing industry rose by 4.2 percent annually from 1960-67. The gross incremental capital/output ratio for industry in this period was estimated at 3.3.

68. In the ten years 1960-69, more than 500 new manufacturing enterprises were established. These new industries represent a total investment of £130 million, (more than a third of total industrial investment) of which £94 million was in 350 foreign-sponsored projects and £36 million in 150 Irish-owned firms. Of the foreign projects, 40 percent were British, 25 percent American, 20 percent German and 5 percent Dutch. Many of these enterprises were attracted to Ireland by the extensive incentives and by Ireland's duty-free access to the U.K. market.

Industrial Incentives and Assistance

69. The Government's industrial policy has two stated objectives: (i) to prepare existing industry for the competitive conditions ahead; and (ii) to expand the existing industrial base as rapidly as possible. To achieve these objectives, the Government has developed a comprehensive system of industrial incentives and assistance.

70. The two major incentives are: (i) a 15 year complete exemption from taxes on export profits (with partial exemption for the remaining years up to 1990); and (ii) non-repayable cash grants for 25-60 percent of the capital cost of new plants. Other incentives include accelerated depreciation (now 100 percent), exemption from duty on imported inputs used for producing exports, grants for adaptation or re-equipment, and grants for training, technical assistance and research and development. 1/

71. The grant programs are now administered by the Industrial Development Authority (I.D.A.), a State agency which is charged with the national responsibility for furthering industrial development. Altogether, grant approvals amounted to £31 million each in 1969 and 1970, compared with an average of £15 million each in 1967 and 1968, and £8 million in 1966. In addition I.D.A. spent an average of about £1.3 million on industrial estates in 1969 and 1970. Actual I.D.A. disbursements reached about £18 million in 1970, and were budgeted at £23 million for 1971.

1/ See Annex 1, "Summary of the Tax Reliefs and Incentives Provided... for Industry in Ireland", in the Appraisal of the Industrial Credit Company, I.B.R.D. Report No. DB75, December 1970.

72. Significant amounts of direct or indirect assistance to industry are being provided by other public institutions, including the Export Promotion Board, AnCo (the national training agency), the Institute for Industrial Research, and the Shannon Development Company. Smaller amounts are spent by the Irish National Productivity Committee, the National Development Association, and the National Science Council. The Government is also allocating budgetary resources (about £4 million in 1971) to the Industrial Credit Company (I.C.C.) and to the Taisci Stait. The total direct cost to the State of these industrial aids is over £30 million, an amount approximately equal to the revenues currently derived from corporate income taxes.

73. The rapidly rising demand for grants has recently prompted I.D.A. to reduce somewhat the proportions of its investment financing and to become more selective. However, the authorities have not yet clearly defined criteria for determining the aggregate level of aid to be given industry in the future. The past incentive package has been biased in favor of capital intensive projects, which may not be appropriate in an economy with a severe unemployment problem. Moreover, past incentives have tended to foster the growth of a semi-enclave sector of export industry, with high import content (and thus a low-value-added content) and little linkage with the domestic economy. These considerations have been recognized, and the intention is now to give higher grant shares to projects deemed to have high contents of male employment, value added, growth potential and technology.

74. The past incentive system is widely credited with a major role in stimulating the rapid growth of export-based manufacturing industry in the 1960's, but this conclusion has not been subjected to critical evaluation. A "Survey of Grant-Aided Industry" concluded that availability of labor and accessibility to markets were the most important factors attracting industrialists to Ireland. If this is the case, and if fiscal incentives have had only a marginal influence on investment decisions, then it could be argued that some of the subsidies have served mainly as "windfall" profits to investors. In any event, the subsidies have grown so large as to warrant the prompt undertaking of a thorough study of the entire incentive program and its future. 1/

Employment and Adaptation to E.E.C.

75. Under the Anglo-Irish Free Trade Agreement, industry is committed to unrestricted competition with British industry by 1975. It is generally felt that most of the problems of free trade are already arising as a result of this agreement, so that a lowering of tariffs against E.E.C. will only

1/ The E.E.C. agreed that the export tax relief scheme and other industrial incentives will be permitted to remain in operation until the scheme is reviewed after Ireland joins the Community. It was also agreed that should modification of the reliefs be required, any revised scheme should be equally effective in promoting industrial development in Ireland.

marginally increase the difficulties of some firms and will offer positive advantages to other firms by opening new markets. European firms will no longer have a special incentive to enter Ireland as a means of obtaining free access to the British market, but the availability of labor together with Ireland's investment and export incentives and its new access to Europe should attract substantial numbers of European as well as Japanese and American firms.

76. Employment in manufacturing rose by about 2.4 percent annually in the 1960's, reaching a level of 220,000 (about 20 percent of total employment) in 1970. About 7,000 new jobs (gross) were created in 1971. The Government's goal is to create 11,000 new jobs in manufacturing industry each year for the next several years. This would constitute an annual (gross) increase of about 4.5 percent annually. Because of the expected job losses in existing industries, however, the rate of net job creation is expected to be about 3 percent annually.

77. Between 3,500 and 4,000 Irish workers lost their jobs in manufacturing industry in 1971, a rate approximately double that of the two preceding years. A number of factors account for this increase. In traditional industries such as jute, woollen and worsteds, and cotton, for example, technological change and competition from substitute products were the principal cause. But other significant factors included slack demand abroad, credit restrictions on consumers, the removal of protection, the effects of rationalization and mergers, strikes and inefficient management.

78. Freer trade and the rationalization of existing domestic industry will cause continuing losses of 2,000 to 4,000 jobs annually for the next several years. ^{1/} In general, the most heavily protected Irish industries are also those which are most sensitive to foreign competition (e.g. cotton yarns and cloth, jute, conventional fruit and vegetable processing, woollen yarn, boots and shoes, road vehicles, iron and steel bars, heavy leather). Some less highly protected industries which appear vulnerable include men's clothing, pottery, furniture and printing.

79. Some of these industries may be forced out of business by freer trade. ^{2/} But the future of most domestic industries will depend less on factors affecting whole branches of industry than on the adaptability of individual firms. In the next few years, as trade becomes progressively freer, Irish firms will have to adopt new technologies, improve their

^{1/} Some years ago the Government estimated that the number of jobs which would be lost as a result of complete removal of Irish tariffs would be about 10,000.

^{2/} Some inefficient and high cost industries may have their lives prolonged by Government intervention. The conclusion of a special protocol with E.E.C. concerning the vehicle assembly industry appears not to be consistent with criteria of efficient resource allocation.

managerial and financial organization, and develop new products and markets. There will be a growing need for new initiatives by Government in this area. To date, the State program of "adaptation grants" (now called re-equipment grants) have not been very successful, partly because some of the equipment provided was not suitable, partly because there was a relative neglect of needed complementary factors such as improved marketing, training, structural reorganization, etc.

80. Steps are now being taken on these fronts, as for example through the Small Industries Programme and other programs of I.D.A., and the proposed establishment of Foir Teoranta -- a state sponsored company to provide reconstruction finance to potentially viable firms in danger of closing down because of their inability to raise capital from commercial sources. A much needed merger movement has also developed to increase the scale of firms ^{1/} and their finances, but neither tax laws nor adaptation grants now provide explicit merger incentives.

81. The concentration of the Government's incentive and adaptation programs on production has been at the relative neglect of marketing, which remains an important weakness of Irish industry. This weakness is, of course, largely attributable to the heritage of protection. It will be an increasingly critical area, however, as Ireland enters the E.E.C. The activity of the Export Promotion Board is being stepped up, but much more will need to be done in this area. Reported among the principal shortcomings of Government policy in this field are the insufficient attention given to export opportunities by diplomatic missions, inadequate collation and diffusion of such information by Government agencies within Ireland, and at least until very recently, inadequate medium-term export credits and export insurance. Other areas calling for Government action include improvement of design, reform of education and training (including such neglected fields as languages and management).

82. A major determinant of Ireland's future industrial competitiveness will be the extent to which there is a restructuring of institutions and procedures affecting labor relations and wage determination. Irish labor is strongly unionised, with about 55 percent of the total labor force being members of nearly one hundred trade unions (twenty-seven of which have their head office in Britain). The central trade union organization, the Irish Congress of Trade Unions (ICTU), has only very limited authority over its affiliated unions. Similarly, there is only a loose central organization for employers, and Government authorities have interfered little with the method of free and decentralized collective bargaining between employers and workers which is the predominant pattern of wage determination.

^{1/} It is currently estimated that over 90 percent of Irish firms employ fewer than 100 persons. The last industrial census (1963) found that 45 percent of all firms employ 15 or fewer persons.

83. Ireland has long been an economy with an overall surplus of labor, yet the strike record has been very poor while the rate of increase in wages has been very high. As suggested earlier, the factors explaining this seeming paradox have been: (i) the existence of excess demand in certain key skilled trades; and (ii) the criteria of equity and comparability in wages implicitly accepted by Irish trade unions. Government actions needed to increase the supply of skilled workers would include both stepping-up training programs, and persuading unions and employers alike to rely more on training than on the present rigid apprenticeship system as a source of skilled labor. Greater efforts could also be made to induce skilled Irish emigrant workers to return.

84. Finally, reform in the wage determination process will require a reorientation of the function of key participating bodies. As the National Industrial Economic Council (NIEC) observed in its report on "Incomes and Prices Policy," there is a need for new institutional arrangements to "translate the NIEC guidelines in terms which are operationally useful for those who will be engaged in detailed negotiations on wages and salaries." Assuming that the preferred alternative would be the strengthening of existing institutions (rather than creation of a new Incomes and Prices Board, or the like), one approach would be to expand the Labor Court's terms of reference. With an adequate technical staff, this Court might be in a position to report on the economics as well as the equity of alternative settlements, and thereby frame its decisions on a broader public interest, within the framework of the general guidelines provided by the NIEC.

Regional Development

85. For many years, there has been a de facto policy aimed at minimizing population dislocation. For example, higher grants have been given to firms in the Designated Areas in order to provide industrial jobs to offset the declining agricultural employment there. The shortcomings of both the theory and practice of this approach are well recognized.

86. A UNDP study ^{1/} submitted in 1968 pointed to the high economic cost of dispersing future industrial development too widely. It recommended concentration on Cork and Limerick-Shannon as primary growth poles, with other secondary poles to be distributed around the country. These recommendations came under strong criticism by representatives of rural areas who sought to maintain or increase their population and economic activity. Mainly because of such sensitivities, the Government did not adopt the UNDP recommendations. After prolonged deliberations over the years, the Government, through the IDA, published in May, 1972 preliminary regional development plans, which are to be further considered and elaborated over the next 18 months. This elaboration (of nine regional industrial plans which are based on arbitrary physical planning units) may prove a useful exercise, but it may not provide the needed framework for an efficient locational allocation of resources in the national economy. The prospect of substantial E.E.C. aids for regional development may provide a new stimulus to Government to formulate a coherent

^{1/} Regional Studies in Ireland, prepared by Colin Buchanan and Partners in association with Economic Consultants, Ltd. (Dublin, 1968).

regional policy. Moreover, the association with the E.E.C. is in itself introducing new aspects for future regional policy. Because of its implications for the development of not only industry, but also transportation, communications, housing, education and other infrastructure, early decisions are needed to facilitate development planning.

Mining

87. The development of a significant mining industry is quite recent. In the early fifties there was little mining activity of any sort. Active prospecting began in 1956 following establishment of a four-year tax holiday for profits from new mines. In 1967 this tax holiday was extended to twenty years. The Treasury obtains its revenue from the sector through royalties at very reasonable rates. Commercially exploitable zinc-lead deposits were discovered in 1961 and production began in 1965. Five mines are currently in operation: three zinc-lead, one copper, and one barite. In 1970 the mining industry employed 1700 workers and indirectly supported about 7000 additional jobs. Mining exports rose from £ 1 million in 1965 to £20 million in 1970, (4 percent of total merchandise exports in the latter year). E.E.C. countries bought two-thirds of these exports.

88. The prospect for continued steady growth in mining is good. A large deposit of zinc and lead has recently been discovered at Navan, and commercial mining should begin there in the near future. Prospecting licenses covering one third of the country are currently in effect, and the search for off-shore oil and gas deposits has been intensified. A zinc smelter will probably be constructed sometime in the early 1970's. By 1975, assuming that the zinc smelter is built but that no new mines (other than Navan) are brought into operation, mining exports could increase to £45 million, direct employment in mining to 2700, and indirect employment to 11,000.

V. DEVELOPMENT PROSPECTS

89. The development prospects for the Irish economy in the 1970's are very promising, provided that price increases are kept in line with those of Ireland's major trading partners. Entry into the Common Market in 1973 should bring substantial net benefits. Some of these will be realized immediately (e.g. budgetary savings on agricultural subsidies, access to E.E.C. capital and technical assistance), while others will be realized gradually over the five-year period of transition to full membership (e.g. improved terms of trade and increased agricultural incomes). But there is a clear and present danger that these benefits might be jeopardized if existing inflationary pressures are not sufficiently contained.

Short-Term Prospects

90. As noted previously, the Irish authorities are presently confronted with an unhappy combination of rapid price increases, slowed growth, sluggish investment, high unemployment, and a relatively large current deficit in the balance of payments.

91. The employment problem remains a persistent one as industry becomes rationalized in adapting to freer trade, new technologies, and changing demand. While rationalization is desirable in the long-run, the short-run problem is to minimize the costs of this process through active programs of adaptation and retraining. Unemployment is also essentially a long-run problem, though it has also been aggravated by slack domestic demand and high unemployment in Britain. However, Ireland has been conditioned by its history to a combination of high unemployment and emigration, and unemployment is not as pressing a political issue as in some other countries.

92. The balance of payments, in contrast, should be only a short-run problem -- if that. External reserves are high, and export prospects are favorable. Moreover, Ireland has a small (and mainly long-term) external debt, is highly creditworthy, and should continue to attract a large inflow of direct investment.

93. Recent measures to reflate the economy appear justified in the light of increasing unemployment and slackness in investment demand. There remains, of course, the danger that new demand pressures will compound the cost-push pressures to the detriment of Ireland's cost competitiveness, but at least the comfortable reserve position should permit import growth to absorb some of this pressure. Thus, the immediate circumstances appear to warrant a particular emphasis on labor and import-intensive projects in the public capital program. Particularly in light of the escalator clause in the national wage agreement, greater consideration might also be given to ways to minimize the impact of current expenditures and revenues on the cost-of-living index.

94. The Economic and Social Research Institute, on the assumption that the national wage agreement is renewed, forecasts real economic growth in 1972 at 3-1/2 to 4 percent. Agricultural incomes are expected to rise by 6-1/2 percent in current prices and industrial incomes by 11-12 percent. The 1972 current account deficit is projected at £80 million, and prices are expected to rise by 7 to 7-1/2 percent. Unemployment will remain high, and the outlook for tourism is not promising. Events in the North may continue to inhibit private investment, though some offsetting stimulus could be provided by a growing anticipation of E.E.C. membership. 1/

1/ A later Government forecast noted that the deterioration of the situation in Northern Ireland in the early months of 1972 had adversely affected the earlier optimistic outlook. As of May 1972, the Government was forecasting a real growth of GNP of only 2 to 2-1/2 percent in 1972, accompanied by a current balance of payments deficit below the 1971 deficit of £68 million.

E.E.C. Membership and Longer-Run Prospects

95. Notwithstanding these current problems, the longer-run economic prospects appear quite favorable. Ireland should benefit substantially from E.E.C. membership, particularly from higher agricultural prices and the Community's emerging regional policy. Higher agricultural prices will boost rural incomes, reduce the budgetary outlays for price supports, and increase both the price and volume of agricultural exports. On the other hand, membership will raise domestic food prices and create difficulties for Irish industries which are presently not competitive with European producers. However, the most efficient industries will benefit from free access to an enlarged market, and access to this market should also enhance the attractiveness of Ireland to foreign investors.

96. The impact of E.E.C. membership on the labor market is expected to include a reduction in the outflow of workers from agriculture and continuing job losses in inefficient industries, but increased employment opportunities in efficient existing firms and in new industries. The Government is forecasting a reduction of 60,000 workers in agriculture in 1978 as compared with 1970. This reduction is expected to be offset by an equal increase in employment in services and construction, while employment in industry is forecast to rise by 50,000 workers over this period. Emigration is expected to continue at a rate of about 10,000 annually during the next several years. E.E.C. membership is not expected to have much effect on the direction of emigration in the 1970's.

97. The impact on the capital market is harder to predict. Ireland will benefit from access to the European Investment Bank, the European Social Fund, and other E.E.C. sources of finance and technical assistance. An assurance that these benefits should prove significant was provided in the form of a special Protocol which is included in Ireland's Treaty of Accession to the Community. In this Protocol the Community recognizes the need to ensure the success of the Irish Government's policy of industrial and economic development aimed at ending unemployment, accelerating the growth rate, lessening regional imbalances, and raising the Irish standard of living to that of the Community partners. The Protocol calls on the Community to use, for the purpose of attaining these objectives, all the means and procedures at their disposal under the Treaties, and in particular, the financial resources of the Community. Moreover, as noted above, it also specifies that special account must be taken of Ireland's position in the application of the Treaty provisions concerning the admissibility of State aids.

98. As regards fiscal policy, the main implication of E.E.C. membership will be the requirement to introduce the value added system of sales taxation. Since the present rates on Ireland's existing turnover and wholesale taxes are generally in line with the value-added tax to be adopted, the modification in the system should be made without difficulty. Losses in Exchequer revenue resulting from the removal of customs duties plus Irish contributions to the Community budget and to Community institutions are expected to be more than offset by the substantial relief to be enjoyed in respect of agricultural subsidies, with an annual net saving to the Exchequer in the order of £25-30

million over the period up to 1980. These savings will be available to finance increased social expenditure. For example, there will be calls on the Exchequer for improvements in social security and for the introduction of equal pay for women.

99. On the assumption that Ireland's competitive position does not deteriorate seriously in the coming years, real GNP could grow by at least 5 percent annually through 1977, (the end of the transition period to full membership). Population growth over this period might average about 0.6 percent annually. If the volume of imports and exports were to increase by about 10 percent annually (with exports rising slightly faster), then the current account deficit in 1970 constant prices might rise to as much as three times its 1970 level. Because of the expected improvement in terms of trade, however, the deficit in current prices may be in the same range as the 1970-71 deficits, and could well be lower. 1/

100. In any event, the growth of the economy in the 1970's is not likely to be much constrained by the balance of payments. Rather, growth will be limited by the socio-economic problems of agriculture and by the adaptability of the industrial structure to the new trading conditions. Thus, the development strategy which is required for the 1970's is very similar to that which was adopted in the 1960's, i.e., solution of the structural problems of agriculture, rationalization of domestic industry, and emphasis on industrial exports as the leading sector. Market forces will provide powerful stimuli to both industrial and agricultural growth in the years ahead. However, while increasing competition will require inefficient industries to rationalize or face extinction, similar reforms will not be forced on the agricultural sector as a whole. In fact, the forthcoming increase in rural prosperity could even permit a permanent solution to the poor farm problem to be postponed still further. The E.E.C. is evolving new approaches to solving such problems (e.g. the revised Mansholt proposals), but Ireland must formulate its own solutions within the E.E.C. framework. At present, there is not a coherent strategy, much less a tactical plan, for the long-run development and reform of the agricultural sector.

101. In the short- to medium run, the higher agricultural output and incomes will create enlarged employment opportunities in agriculture and related services. But agriculture cannot be a leading sector, and the basic need will remain the creation of enough jobs in other industries and services to absorb both new entrants to the labor force and remaining excess labor on the land. Nearly five years ago, a report of the National Industrial Economic Council outlined the obstacles to the achieving of full employment in Ireland. That report 2/ set a goal of attaining full employment by the end

1/ This projection is considerably at variance with the projections of the Department of Finance, which anticipates that the deficit in constant 1970 prices is likely to be no more than about £70 million in 1978 -- even though GNP growth is expected to be 5 percent or more annually by that time. If this were the case, Ireland would certainly have a substantial balance of payments surplus in current prices by that time.

2/ Report No. 18, Report on Full Employment, Dublin, January 1967.

of the 1970's. It now seems possible for the Irish economy to grow fast enough to make this a feasible policy objective. It remains for the Government to formulate the necessary program. A Fourth Programme is currently in preparation, but it has not yet been revealed what kind of plan this will be.

102. The next program should provide an integrated framework for policy decisions on a number of issues in addition to those noted above. These issues would include: (a) tax reform, specifically in agricultural, personal income and capital gains taxation; (b) disposition of the budgetary savings on agricultural subsidies; (c) restructuring of industrial incentives; (d) reform of industrial relations and the wage negotiation process; (e) sectoral investment plans and their implications for State and private financial institutions; (f) external borrowing and foreign exchange reserve management; (g) demand management, and the contribution of public savings to financing investment; (h) regional development, and its implications for physical planning; (i) short-term adaptation and retraining programs; and possibly, (j) reorganization of the public service.

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Table 1.1: Demographic Data

I. <u>Long Term Data</u>								
	<u>1841</u>	<u>1851</u>	<u>1901</u>	<u>1951</u>	<u>1956</u>	<u>1961</u>	<u>1966</u>	<u>1971</u>
Total Population (millions)	6.53	5.11	3.22	2.96	2.90	2.82	2.88	2.97
Average Annual Net Emigration (thousands) (preceding 5 years)	n.a.	n.a.	40	24	39	42	16	12
	<u>1841-51</u>	<u>1851-1901</u>	<u>1901-51</u>	<u>1951-56</u>	<u>1956-61</u>	<u>1961-66</u>	<u>1966-71</u>	
Average Annual Rate of Change of Total Population	-2.4%	-0.9%	-0.2%	-0.4%	-0.6%	0.5%	0.6%	
Distribution of Population	(as percentages of total population)							
By Sex								
Male	n.a.	48.9	50.0	50.9	50.5	50.3	50.2	50.2
Female	n.a.	51.1	50.0	49.1	49.5	49.7	49.8	49.8
By Region								
Leinster	30.2	32.7	35.8	45.2	46.2	47.3	49.0	50.3
Munster	36.7	36.3	33.4	30.4	30.3	30.1	29.8	29.6
Connacht	21.7	19.8	20.1	15.9	15.4	14.9	13.9	13.1
Ulster (3 Counties)	11.3	11.2	10.7	8.5	8.1	7.7	7.2	7.0
II. <u>Recent Data</u>								
	<u>1956</u>			<u>1961</u>			<u>1966</u>	
Distribution of Population	(as percentages of total population)							
By Age Group								
0-14	30.0			31.1			31.2	
15-54	49.8			48.2			48.2	
a) Males	(25.2)			(24.3)			(24.3)	
b) Females	(24.6)			(23.9)			(23.9)	
55-64	9.3			9.5			9.4	
65 and over	10.9			11.2			11.2	
By Urban and Rural Areas								
Rural	57.3			53.6			50.8	
Urban (1,500 or more)	42.7			46.4			49.2	
Urban (10,000 or more)	32.6			35.7			38.2	
	<u>1956-61</u>			<u>1961-66</u>			<u>1966-71</u>	
Birth Rate	21.2			21.9			21.8	
Death Rate	11.9			11.7			11.5	
Marriage Rate	5.4			5.7			7.0	
	(average annual rate)							
Rates of Change								
Natural Increase	0.9%			1.0%			1.0%	
Net Emigration	1.5%			0.6%			0.4%	
	(percent of total emigrants)							
Emigrant Distribution by Sex								
Male	51.7			46.7			46.2	
Female	48.3			53.3			53.8	

Sources: 1966 Census; 1971 Census, Preliminary Report; Statistical Abstract, 1969; Vital Statistics, 1968.

Table 1.2: Employment

<u>Sector</u>	<u>1956</u>	<u>1961</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1957-61</u> Average	<u>1962-66</u> Annual	<u>1966-'70</u> Growth Rates
	(in thousands)									
Mining, quarrying, and turf production	11	10	9	10	10	10	10	-2.0	-2.1	2.7
Manufacturing industries	175	178	198	201	204	214	220	0.3	2.1	2.7
Building and construction	71	60	74	74	76	78	74	-3.3	4.3	0
Electricity, gas, and water	12	10	12	12	13	13	13	-3.6	3.7	2.0
Commerce, insurance, and finance	158	159	166	168	169	171	172	0.1	0.9	0.9
Transport, communication, and storage	57	54	57	58	59	59	60	-1.1	1.1	1.3
Public administration and defense	41	41	43	44	45	45	47	0	1.0	2.3
Other non-agricultural economic activity	170	162	172	174	176	178	179	-1.0	1.2	1.0
Total non-agricultural employment	695	673	733	741	752	768	775	-0.6	1.7	1.4
Agriculture, forestry, fishing	430	380	334	322	313	301	291	-2.4	-2.5	-3.4
<u>Total Employed</u>	<u>1,125</u>	<u>1,053</u>	<u>1,066</u>	<u>1,063</u>	<u>1,065</u>	<u>1,069</u>	<u>1,066</u>	<u>-1.3</u>	<u>0.3</u>	<u>0</u>
Unemployed - Census definition /1	63	56	52	57	61	58	68			
<u>Total Labor Force</u>	<u>1,188</u>	<u>1,109</u>	<u>1,118</u>	<u>1,120</u>	<u>1,126</u>	<u>1,127</u>	<u>1,134</u>	<u>-1.4</u>	<u>0.2</u>	<u>0.4</u>
Unemployed as percent of labor force	5.3%	5.1%	4.9%	5.1%	5.4%	5.1%	6.0%			
Unemployed - number of persons on the live register /2			48.1	55.1	58.1	57.0	64.9			
Unemployed - number of persons on live register as percent of insured persons (excluding agriculture, forestry, and fishing)			6.1%	6.7%	6.7%	6.4%	7.2%			

/1 Unemployed are those who stated in their census of population returns that they were out of work. These are not necessarily the same persons as those who were registered at local employment offices as seeking work.

/2 Earlier figures are not comparable because of a change in the content of the live register in January 1966.

Sources: NIEC, Report on Full Employment; The Trend of Employment and Unemployment, 1969; and Review of 1970 and Outlook for 1971.

Table 2.1 Expenditure on Gross National Product, In Current Prices

(in millions of pounds)

	<u>1955</u>	<u>1960</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u> ^{1/}
Private consumption	419.9	496.1	706.9	749.0	795.0	902.0	1,010	1,109
Public consumption	64.5	77.9	129.2	135.7	145.0	164.9	192	228
a) defense	(7.9)	(8.6)	(13.6)	(12.4)	(13.6)	(15.1)	(17)	n.a.
b) civil	(56.6)	(69.3)	(115.6)	(123.3)	(131.4)	(149.8)	(175)	n.a.
Gross domestic fixed capital formation	91.9	90.3	197.9	197.1	217.6	251.0	329	353
Change in stocks	9.7	12.4	27.3	7.8	-4.5	16.8	19	20
Exports of goods and non-factor services	152.2	201.6	309.6	340.7	385.6	451.5	494	562
Imports of goods and non-factor services	-216.1	-235.4	-396.5	-401.1	-417.9	-528.4	-624	-688
<u>Gross Domestic Product (GDP) at market prices</u>	<u>522.1</u>	<u>642.9</u>	<u>974.4</u>	<u>1,029.2</u>	<u>1,120.8</u>	<u>1,257.8</u>	<u>1,420</u>	<u>1,584</u>
Net Factor Income from the rest of the world	28.6	33.2	45.3	44.5	47.7	60.8	61	64
factor receipts (excluding remittances)	(33.7)	(39.3)	(56.4)	(58.0)	(59.9)	(68.4)	(71)	(42)
factor payments (excluding remittances)	(-16.1)	(-19.1)	(-25.2)	(-28.3)	(-28.6)	(-28.4)	(-31)	
net emigrants' remittances	(11.0)	(13.0)	(14.1)	(14.8)	(16.4)	(20.8)	(21)	(22)
<u>Gross National Product (GNP) at market prices</u>	<u>550.7</u>	<u>676.1</u>	<u>1,019.7</u>	<u>1,073.7</u>	<u>1,168.5</u>	<u>1,318.6</u>	<u>1,481</u>	<u>1,648</u>
Indirect taxes	-82.9	-105.3	-168.3	-190.3	-209.3	-236.7	-285	250
Subsidies	18.1	21.1	38.7	43.0	53.0	59.8	70	
<u>Gross National Product at factor cost</u>	<u>485.9</u>	<u>591.9</u>	<u>890.1</u>	<u>926.4</u>	<u>1,012.2</u>	<u>1,141.7</u>	<u>1,266</u>	<u>1,398</u>
Depreciation	-25.2	-40.1	-72.7	-78.2	-86.7	-95.5	-107	-118
Net National Product at factor cost	460.7	551.8	817.4	848.2	925.5	1,046.2	1,159	1,280

Table 2.1 (Cont'd.)

(as percent of gross domestic product at market prices^{2/})

	<u>1955</u>	<u>1960</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>
Private consumption	80.4	77.2	72.5	72.8	70.9	71.7	71.1	70.0
Public consumption	12.4	12.1	13.3	13.2	12.9	13.1	13.5	14.4
a) defense	(1.3)	(1.3)	(1.4)	(1.2)	(1.2)	(1.2)	(1.2)	n.a.
b) civil	(11.1)	(10.8)	(11.9)	(12.0)	(11.7)	(11.9)	(12.3)	n.a.
Gross domestic fixed capital formation	17.6	14.0	20.3	19.1	19.4	20.0	23.2	22.3
Change in stocks	1.9	1.9	2.8	.8	-0.4	1.3	1.3	1.3
Exports of goods and non-factor services	29.2	31.4	31.8	33.1	34.4	35.9	34.8	35.5
Imports of goods and non-factor services	-41.3	-36.6	-40.7	-39.0	-37.3	-42.0	-43.9	-43.4
<u>Gross Domestic Product (GDP) at market prices</u>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Notes: 1/ Preliminary

2/ Some columns do not add to exactly 100.0 because of rounding .

Source: O.E.C.D. questionnaire and Review of 1970 and Outlook for 1971

Table 2.2: Expenditure on Gross National Product, in Constant (1958) Prices

(millions of pounds)

	1955	1960	1965	1966	1967	1968	1969	1970 ^{1/}
Private consumption	467.4	489.8	574.9	588.7	606.3	658.0	688	698
Public consumption	72.7	73.3	86.1	87.4	91.7	97.8	106	110
Gross domestic fixed capital formation	103.0	88.5	161.9	156.7	167.1	187.3	231	228
Change in stocks	10.0	12.2	23.5	6.9	-5.4	9.0	14	13
Exports of goods and non-factor services	157.1	198.3	275.6	297.9	335.6	369.3	382	405
Imports of goods and non-factor services	-223.8	-236.5	-371.6	-374.7	-392.1	-459.0	-519	-537
<u>Gross Domestic Product (GDP) at market prices</u>	<u>586.4</u>	<u>625.6</u>	<u>750.4</u>	<u>762.9</u>	<u>803.2</u>	<u>862.4</u>	<u>902</u>	<u>917</u>
Net factor income from rest of world	29.6	33.3	42.5	41.4	44.8	52.8	51	50
Factor receipts (excluding remittances)	(34.9)	(39.5)	(52.8)	(54.1)	(56.2)	(59.5)	58	n.a.
Factor payments (excluding remittances)	(-16.7)	(-19.2)	(-23.5)	(-26.5)	(-26.7)	(-24.7)	(-25)	n.a.
Net emigrants' remittances	(11.4)	(13.0)	(13.2)	(13.8)	(15.3)	(18.0)	(18)	n.a.
<u>Gross National Product (GNP) at market prices</u>	<u>616.0</u>	<u>658.9</u>	<u>792.9</u>	<u>804.3</u>	<u>848.0</u>	<u>915.2</u>	<u>953</u>	<u>967</u>
Indirect taxes	n.a.	-103.6	-125.9	-127.9	-135.5	-144.5	-155	n.a.
Subsidies	n.a.	17.1	18.6	18.9	20.9	23.1	26	n.a.
<u>Gross National Product (GNP) at factor cost</u>	<u>n.a.</u>	<u>559.4</u>	<u>672.4</u>	<u>681.5</u>	<u>718.1</u>	<u>775.8</u>	<u>806</u>	<u>n.a.</u>
	Av. Annual Growth Rate			Annual Rate of Growth				Av. Annual Growth Rate
	1956-60	1961-65	1966	1967	1968	1969	1970	1966-70
Private consumption	0.9%	3.3%	2.4%	3.0%	8.5%	4.6%	1.5%	4.0%
Public consumption	0.3	3.3	1.5	4.9	6.7	8.4	3.8	5.0
Gross domestic fixed capital formation	-3.0	12.8	-3.2	6.6	12.1	23.3	-1.3	7.1
Change in stocks	-	-	-	-	-	-	-	-
Exports of goods and non-factor services	4.8	6.8	8.1	12.7	10.0	3.4	6.0	8.0
Imports of goods and non-factor services	1.1	9.5	0.8	4.6	17.1	13.1	3.5	7.6
<u>Gross Domestic Product (GDP) at market prices</u>	<u>1.3</u>	<u>3.7</u>	<u>1.7</u>	<u>5.3</u>	<u>7.4</u>	<u>4.6</u>	<u>1.7</u>	<u>4.1</u>
Net factor income from rest of world	2.4	5.0	-2.6	8.2	17.8	-3.4	-2.0	3.3
<u>Gross National Product (GNP) at market prices</u>	<u>1.3</u>	<u>3.8</u>	<u>1.4</u>	<u>5.4</u>	<u>7.9</u>	<u>4.1</u>	<u>1.5</u>	<u>4.0</u>

^{1/} Preliminary

Sources: National Income and Expenditure, 1969 and Review of 1970 and Outlook for 1971

Table 2.3 Sectoral Origin of Gross Domestic Product, Current Prices

(in millions of pounds)

<u>Sector</u>	<u>1960</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>
Agriculture	136.5	172.1	165.8	178.6	202.6	209
Forestry	1.6	2.3	2.2	2.2	2.3	2
Fishing	1.8	2.3	2.6	2.7	2.9	4
Mining, manufacturing, construction and utilities	165.5	272.1	291.3	326.9	371.1	424
Transportation, communication, and distribution	95.6	151.5	158.4	168.5	187.5	208
Public Administration and defense	31.0	51.0	53.9	56.4	61.6	70
Ownership of dwellings	22.9	30.1	32.9	36.1	39.7	45
Other services (including health and education)	103.8	163.4	174.8	193.1	213.2	243
<u>Gross Domestic Product (GDP) at factor cost</u>	<u>558.7</u>	<u>844.8</u>	<u>881.9</u>	<u>964.5</u>	<u>1,080.9</u>	<u>1,205</u>

<u>Sector</u>	<u>As % of GDP at Current Factor Cost</u>			<u>Average Annual Growth Rates</u>	
	<u>1960</u>	<u>1965</u>	<u>1969</u>	<u>1961-65</u>	<u>1966-69</u>
Agriculture, forestry, fishing	25.0	20.9	17.8	4.8%	5.0%
Mining, manufacturing, construction and utilities	29.6	32.2	35.2	10.5	11.7
Transportation, communication, and distribution	17.1	17.9	17.3	9.6	8.2
Public Administration and defense	5.5	6.0	5.8	10.5	8.2
Ownership of dwellings	4.1	3.6	3.7	5.6	10.6
Other services (including health and education)	18.6	19.3	20.2	9.5	10.4
<u>Gross Domestic (GDP) at current factor cost</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>8.6</u>	<u>9.3</u>

Source: OECD questionnaire

Table 2.4: Sectoral Origin of Gross Domestic Product, Constant (1958) Prices

(in millions of pounds)

<u>Sector</u>	<u>1960</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>
Agriculture, forestry, fishing	144.4	145.5	145.4	149.0	157.8	154
Mining, manufacturing, construction, utilities	162.0	223.8	229.7	246.8	270.9	291
Transportation, communication, distribution	87.6	108.0	110.8	116.8	128.5	135
Public administration and defense	28.5	31.2	31.9	32.9	33.6	35
Ownership of dwellings	21.3	23.3	23.9	24.5	25.2	26
Other services (including health and education)	94.8	106.3	107.8	112.8	117.8	123
<u>Gross Domestic Product (GDP) at constant factor cost</u>	<u>538.6</u>	<u>638.1</u>	<u>649.5</u>	<u>682.8</u>	<u>733.8</u>	<u>764</u>
	<u>Av. Annual Growth Rate</u>	<u>Annual Growth Rate</u>				<u>Av. Annual Growth Rate</u>
<u>Sector</u>	<u>1961-65</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1966-69</u>
Agriculture, forestry, fishing	0.2%	-0.1%	2.5%	5.9%	-2.4%	1.1%
Mining, manufacturing, construction, utilities	6.7	2.6	7.4	9.8	7.4	6.8
Transportation, communication, distribution	4.3	2.6	5.4	10.0	5.1	5.7
Public Administration and defense	1.8	2.2	3.1	2.1	4.2	2.9
Ownership of dwellings	1.8	2.6	2.5	2.9	3.2	2.8
Other services (including health and education)	2.1	1.7	4.6	4.4	4.4	3.7
<u>Gross Domestic Product (GDP) at constant factor cost</u>	<u>3.4</u>	<u>1.8</u>	<u>5.1</u>	<u>7.5</u>	<u>4.1</u>	<u>4.6</u>

Sources: National Income and Expenditure, 1969, and data on ownership of dwellings, provided by the Central Statistics Office

Table 2.5 Composition of Gross Domestic Fixed Capital Formation
(in millions of pounds, at current prices)

<u>Sector</u>	<u>1960</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>
Agriculture, forestry, fishing	15.1	24.9	26.5	26.0	31.7	37	
Mining, quarrying	2.1	5.2	4.1	4.7	4.9	n.a.	
Manufacturing	17.3	37.6	40.5	43.1	51.8	n.a.	
Construction	1.7	3.8	3.5	4.2	4.7	n.a.	
Electricity, gas, water	5.0	10.4	12.7	17.0	12.2	n.a.	
Transport, communications	14.9	32.3	30.3	31.6	32.9	n.a.	
Dwellings	15.0	42.2	39.7	50.4	55.9	62	
Public administration	1.5	3.7	3.1	2.8	2.4	n.a.	
Other service industries	17.7	37.8	36.7	37.8	54.5	n.a.	
<u>Total Gross Domestic Fixed Capital Formation</u>	<u>90.3</u>	<u>197.9</u>	<u>197.1</u>	<u>217.6</u>	<u>251.0</u>	<u>329</u>	<u>353</u>
<u>Type of Capital Good</u>							
Dwellings	14.6	40.5	37.5	46.2	50.0	55	
Other buildings	15.9	38.4	43.8	46.1	49.7	} 110	
Other construction and works	19.5	35.8	33.4	35.7	40.4		
Transportation equipment	12.9	26.8	24.6	27.0	31.6	58	
Other machinery and equip- ment	27.4	56.4	57.8	62.6	79.3	106	
<u>Institution</u>							
Government	18.1	43.8	42.4	48.4	54.1	63	
Private sector and public corporations	72.2	154.1	154.7	169.2	196.9	266	
Government capital grants	(5.8)	(14.2)	(16.7)	(22.3)	(27.1)	(36)	

Source: O.E.C.D. Questionnaire

Table 2.6 Composition of Gross Domestic Fixed Capital Formation, Constant (1958) Prices

(in millions of pounds)

<u>Sector</u>	<u>1955</u>	<u>1960</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>
Agriculture, forestry, fishing	17.3	14.9	22.1	22.7	22.6	27.4	29	
Mining and quarrying	2.3	2.1	4.6	3.5	4.0	4.1	n.a.	
Manufacturing	13.8	17.1	32.7	34.2	35.4	41.0	n.a.	
Construction	2.3	1.7	3.4	3.0	3.6	3.9	n.a.	
Electricity, gas, and water	13.7	5.0	8.4	9.8	12.7	8.7	n.a.	
Transportation and communications	15.2	14.8	27.5	24.7	25.1	25.0	n.a.	
Dwellings	21.1	14.0	27.9	25.7	31.1	33.3	34.1	
Public administration	1.4	1.5	3.1	2.5	2.2	1.9	n.a.	
Other service industries	15.9	17.4	32.2	30.6	30.4	42.0	n.a.	
<u>Total gross domestic fixed capital formation</u>	<u>103.0</u>	<u>88.5</u>	<u>161.9</u>	<u>156.7</u>	<u>167.1</u>	<u>187.3</u>	<u>231</u>	<u>228</u>

	Average Annual Growth Rate		Annual Growth Rate				Average Annual Growth Rate	
	<u>1956-60</u>	<u>1961-65</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1966-68</u>	<u>1966-69</u>
Agriculture, forestry, fishing	-2.9%	8.2%	2.7%	-0.4%	21.2%	5.8%	7.4%	7.0%
Mining and quarrying	-1.8	17.0	-23.9	14.3	2.5		-3.8	
Manufacturing	4.4	13.8	4.6	3.5	15.8		7.8	
Construction	-5.8	14.9	-11.8	20.0	8.3		4.7	
Electricity, gas, and water	-18.0	10.9	16.7	29.6	-31.5		1.2	
Transportation and communications	-0.5	13.1	-10.2	1.6	-0.4		-3.1	
Dwellings	-7.8	14.8	-7.9	21.0	7.1	2.4	6.1	5.1
Public administration	1.4	15.6	-19.3	-12.0	-13.6		-15.0	
Other service industries	1.8	13.1	-5.0	-0.7	38.2		9.3	
<u>Total gross domestic fixed capital formation</u>	<u>-3.0</u>	<u>12.8</u>	<u>-3.2</u>	<u>6.6</u>	<u>12.1</u>	<u>23.3</u>	<u>5.0</u>	<u>9.3</u>

Source: Central Statistics Office.

Table 2.7: Saving and Investment

(in millions of pounds at current prices)

	<u>1955</u>	<u>1960</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u> ^{1/}
GDP at Market Prices	522.1	642.9	974.4	1029.2	1120.8	1257.8	1420	1584
Net Factor Income	28.6	33.2	45.3	44.5	47.7	60.8	61	64
GNP at Market Prices	550.7	676.1	1019.7	1073.7	1168.5	1318.6	1481	1648
Total Consumption	484.4	574.0	836.1	884.7	940.0	1066.9	1202	1337
Resource Gap	63.9	33.8	86.9	60.4	32.3	76.9	130	126
Gross Domestic Savings	37.7	68.9	138.3	144.5	180.8	190.9	218	247
Gross Investment	101.6	102.7	225.2	204.9	213.1	267.8	348	373
Current Account Deficit	35.5	0.8	41.8	16.1	-15.2	16.3	69	62
Gross National Savings	66.1	101.9	183.4	188.8	228.3	251.5	279	311
Personal Saving	(29.4)	(39.8)	(83.2)	(82.0)	(92.2)	(102.7)	(111)	) (207)
Saving by Public and Private Corporations	(14.4)	(22.5)	(29.2)	(22.6)	(40.9)	(50.7)	(55)	
Government Saving	(0.4)	(0.7)	(3.6)	(16.0)	(17.3)	(19.0)	(20)	
Adjustment for Stock Appreciation	(-3.3)	(-1.2)	(-5.3)	(-10.0)	(-8.8)	(-16.4)	(-14)		(-14)
Depreciation	(25.2)	(40.1)	(72.7)	(78.2)	(86.7)	(95.5)	(107)	(118)

(in percentages)

<u>Gross Investment</u> <u>as % of GDP</u>	<u>19.4</u>	<u>16.0</u>	<u>23.1</u>	<u>19.9</u>	<u>19.0</u>	<u>21.3</u>	<u>24.5</u>	<u>23.6</u>
Change in Stocks	1.8	1.9	2.8	0.8	-0.4	1.3	1.3	1.3
Gross Domestic Fixed Capital Formation	17.6	14.1	20.3	19.1	19.4	20.0	23.2	22.3
Government	n.a.	(2.8)	(4.5)	(4.1)	(4.3)	(4.3)	(4.5)	n.a.
Private Sector and Public Corporations	n.a.	(11.3)	(15.8)	(15.0)	(15.1)	(15.7)	(18.7)	n.a.
Government Capital Grants	n.a.	(0.9)	(1.5)	(1.6)	(2.0)	(2.2)	(2.5)	n.a.
Resource Gap as % of GDP	12.2	5.3	8.9	5.9	2.9	6.1	9.1	8.0
<u>Gross Domestic Savings as %</u> <u>of GDP</u>	<u>7.2</u>	<u>10.7</u>	<u>14.2</u>	<u>14.0</u>	<u>16.1</u>	<u>15.2</u>	<u>15.4</u>	<u>15.6</u>
<u>Gross Investment as % of GNP</u>	<u>18.4</u>	<u>15.2</u>	<u>22.1</u>	<u>19.1</u>	<u>18.2</u>	<u>20.3</u>	<u>23.5</u>	<u>22.6</u>
Current Account Deficit as % of GNP	6.4	0.1	4.1	1.5	-1.3	1.2	4.7	3.7
<u>Gross National Savings as %</u> <u>of GNP</u> ^{2/}	<u>12.0</u>	<u>15.1</u>	<u>18.0</u>	<u>17.6</u>	<u>19.5</u>	<u>19.1</u>	<u>18.8</u>	<u>18.9</u>
Personal Saving	(5.3)	(5.9)	(8.2)	(7.6)	(7.9)	(7.8)	(7.5)	) (12.6)
Saving by Public and Private Corporations	(2.6)	(3.3)	(2.9)	(2.1)	(3.5)	(3.8)	(3.7)	
Government Saving	(0.1)	(0.1)	(0.4)	(1.5)	(1.5)	(1.4)	(1.3)	
Stock Appreciation Adjustment	(-0.6)	(-0.1)	(-0.6)	(-0.9)	(-0.7)	(-1.2)	(-0.9)		(-0.8)
Depreciation	(4.6)	(5.9)	(7.1)	(7.3)	(7.4)	(7.2)	(7.2)	7.2

1/ Preliminary 2/ Columns may not add up exactly to total because of rounding

Source: O.E.C.D. Questionnaire

Table 3.1 Balance of Payments, Current Account
(in millions of pounds)

	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>
<u>Trade Balance</u>	<u>-147.1</u>	<u>-124.5</u>	<u>-100.1</u>	<u>-153.2</u>	<u>-209.3</u>	<u>-212.8</u>
Exports, f.o.b.	233.8	266.1	307.0	355.8	395.9	455.3
Imports, c.i.f.	-380.9	-390.6	-407.1	-509.0	-605.2	668.1
<u>Non-Factor Services, balance</u>	<u>50.8</u>	<u>48.8</u>	<u>55.3</u>	<u>58.7</u>	<u>62.5</u>	<u>61.8</u>
Exports of non-factor services, total	89.6	93.9	100.9	114.0	121.7	126.5
Transportation	20.9	27.4	30.7	37.0	42.2	47.6
International freight	(4.5)	(7.7)	(6.9)	(7.9)	(8.2)	(9.9)
Passenger fares	(10.5)	(12.6)	(11.0)	(17.3)	(20.6)	(21.7)
Other	(5.9)	(7.1)	(9.8)	(11.8)	(13.4)	(16.0)
Tourism and travel	67.7	65.1	68.9	75.7	78.1	77.4
Other non-factor services	1.0	1.4	1.3	1.3	1.4	1.5
Imports of non-factor services, total	-38.8	-45.1	-45.6	-55.3	-59.2	-64.7
Transportation	-8.3	-11.3	-13.2	-16.1	-18.0	-19.5
Tourism and travel	-28.2	-31.6	-30.1	-36.3	-37.8	-41.6
Other non-factor services	-2.3	-2.2	-2.3	-2.9	-3.4	-3.6
<u>Factor Services, balance</u>	<u>25.4</u>	<u>23.1</u>	<u>24.5</u>	<u>31.6</u>	<u>28.2</u>	<u>30.0</u>
Receipts, total	49.9	50.6	52.2	59.0	60.5	67.7
Income from capital	(44.2)	(44.9)	(46.1)	(51.0)	(50.9)	(56.9)
Other	(5.7)	(5.7)	(6.1)	(8.0)	(9.7)	(10.8)
Payments, total	-24.5	-27.5	-27.7	-27.4	-32.4	-37.7
Income from capital	(-24.5)	(-27.5)	(-27.7)	(-27.4)	(-32.4)	(-37.7)
Other	-	-	-	-	-	-
<u>Current Transfers, balance</u>	<u>25.5</u>	<u>26.9</u>	<u>30.1</u>	<u>37.1</u>	<u>38.6</u>	<u>42.6</u>
Receipts, total	27.9	29.3	32.8	39.8	41.5	45.4
Private transfers	27.8	29.2	32.7	39.1	41.2	45.0
Emigrants' remittances	(14.5)	(15.2)	(16.8)	(21.2)	(21.7)	(23.9)
Pensions and allowances	(6.5)	(7.5)	(9.3)	(11.2)	(11.4)	(13.1)
Other private transfers	(6.8)	(6.5)	(6.6)	(6.7)	(8.1)	(8.0)
Government transfers	0.1	0.2	0.1	0.7	0.3	0.4
Payments, total	-2.4	-2.4	-2.7	-2.7	-2.9	-2.8
Private transfers	-1.2	-1.0	-1.0	-0.8	-1.0	-0.9
Emigrants' remittances	(-0.4)	(-0.4)	(-0.2)	(-0.4)	(-0.5)	(-0.5)
Pensions and allowances	-	-	-	-	-	-
Other private transfers	(-0.8)	(-0.6)	(-0.6)	(-0.4)	(-0.5)	(-0.4)
Government transfers	-1.2	-1.4	-1.7	-1.9	-1.9	-1.9
Pensions and allowances	(-0.7)	(-0.8)	(-0.9)	(-0.9)	(-1.0)	(-1.2)
Other	(-0.5)	(-0.6)	(-0.8)	(-1.0)	(-0.9)	(-0.7)
<u>Errors and Omissions</u>	<u>3.6</u>	<u>9.6</u>	<u>5.4</u>	<u>9.5</u>	<u>10.9</u>	<u>13.1</u>
<u>Current Account Balance</u>	<u>-41.8</u>	<u>-16.1</u>	<u>+15.2</u>	<u>-16.3</u>	<u>-69.1</u>	<u>-68.3</u>

Sources: Statistical Bulletin, June 1970 and September 1971.

Table 3.2 Balance of Payments: Capital Account

(in millions of pounds)

	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>
Current Account Balance	<u>-41.8</u>	<u>-16.1</u>	<u>15.2</u>	<u>-16.3</u>	<u>-69.1</u>	<u>-65.3</u>
Capital Transactions						
Private Capital, net	<u>21.6</u>	<u>25.0</u>	<u>27.2</u>	<u>7.4</u>	<u>33.1</u>	<u>30.9</u>
Direct Investment, net	15.3	4.1	13.0	15.9	-11.9	14.1
Purchase of Shares	(3.2)	(2.9)	(4.4)	(5.9)	(4.9)	(2.4)
Other Direct Invest- ment	(12.1)	(1.2)	(8.6)	(10.0)	(-16.8)	(11.7)
Other Private Capital Flows, net	6.3	20.9	14.2	-8.5	45.0	16.8
Purchase of Shares	(0.8)	(2.2)	(-)	(0.2)	(0.4)	(-)
Life Insurance Pay- ments	(-3.3)	(-3.0)	(-3.2)	(-3.6)	(-3.9)	(-4.3)
Other ^{1/}	(6.5)	(21.7)	(14.6)	(5.7)	(4.1)	(-)
Non-Associated Banks Hire Purchase Finance Companies	n.a.	n.a.	(1.5)	(-11.0)	(45.7)	(21.1) ^{3/}
	(2.3)	(-)	(1.3)	(0.2)	(-1.3)	(-)
Public Enterprises, net borrowing	<u>2.2</u>	<u>0.5</u>	<u>2.7</u>	<u>0.7</u>	<u>31.3</u>	<u>19.6</u>
Government Capital, net	<u>0.8</u>	<u>16.2</u>	<u>2.4</u>	<u>0.3</u>	<u>10.6</u>	<u>11.6</u>
Short Term	-2.2	-2.2	0.4	-1.7	-1.6	-0.9
Long Term	3.0	18.4	2.0	2.0	12.2	12.5
Allocation of SDR's	-	-	-	-	-	<u>5.6</u>
<u>Capital Transactions</u>						
<u>Balance</u>	<u>24.6</u>	<u>41.7</u>	<u>32.3</u>	<u>8.4</u>	<u>75.0</u>	<u>67.7</u>
Changes in External Reserves						
Associated Banks	4.2	4.1	-45.5	55.9	55.8	-
Central Bank						
Gold	-0.8	-0.6	-0.7	-23.0	16.1	9.4
Reserve Position at IMF ^{2/}	-	4.4	-5.2	-15.2	-4.3	11.6
Other Foreign Assets	13.8	-33.5	3.9	-9.8	-73.5	-17.8
S.D.R. Holdings	-	-	-	-	-	- 5.6
<u>Net Change in Reserves</u>						
(- = Increase; + = De- crease)	<u>17.2</u>	<u>-25.6</u> ^{2/}	<u>-47.5</u> ^{2/}	<u>7.9</u>	<u>-5.9</u>	<u>-2.4</u>

^{1/} Includes, inter alia, changes in net deposits of non-residents with Irish banks, allocations of SDRs, and an allowance for capital gains/losses on foreign assets resulting from currency revaluations.

^{2/} Prior to 1970 Irish balance of payments statistics treated only the super-gold tranche at the IMF as a part of external reserves. However, in this table the entire reserve position at the IMF has been considered part of external reserves. As a result of this difference in treatment net change in reserves as shown here differs from that reported in the Statistical Bulletin by £3.2 million in 1966 and £1.3 million in 1967.

^{3/} Further breakdown not available for 1970 because of bank dispute.

Sources: Statistical Bulletin, June 1970 and September 1971.

Table 3.3: Exports f.o.b., By Commodity
(In millions of pounds)

	<u>1960</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>
Agricultural Products:							
Cattle: Store	18.7	31.7	27.1	40.7	45.2	42.8	43.1
Other	14.9	13.0	16.4	2.9	2.5	1.4	2.6
Horses and Other live Animals	6.6	7.4	7.3	6.6	7.7	8.5	8.7
Beef: fresh or chilled	4.7	12.2	11.4	26.5	23.5	24.9	34.4
Frozen	8.1	3.1	8.3	13.9	13.0	15.5	15.1
Tinned	2.7	1.6	1.6	1.7	2.2	1.5	1.4
Other Meat	11.9	18.2	19.4	16.6	20.5	24.6	23.9
Dairy Products: Butter	2.2	7.0	7.6	9.1	10.0	9.6	12.2
Milk and Cream	1.1	4.0	4.6	5.3	5.6	6.4	7.4
Cheese	0.2	2.5	3.4	4.8	6.1	5.6	6.7
Fish and Fish Products	1.7	2.0	2.5	2.4	2.7	3.7	4.9
Other Agricultural Products	11.3	14.6	15.7	16.1	18.4	22.1	24.1
<u>Total Agricultural Exports</u>	<u>84.0</u>	<u>117.0</u>	<u>125.3</u>	<u>146.6</u>	<u>157.3</u>	<u>166.6</u>	<u>184.5</u>
Industrial Products							
Cocoa, Sugar, and Confectionary Products	6.7	7.6	8.4	10.0	11.1	10.7	12.7
Drink and Tobacco	7.4	8.1	8.4	9.7	11.7	11.9	13.8
Metal Ores and Scrap	2.3	1.6	5.9	6.3	11.0	19.7	21.0
Chemicals	0.9	4.8	6.9	8.4	12.6	17.3	18.4
Leather Products and Footwear	3.7	5.3	5.9	6.1	7.7	9.0	10.1
Rubber, Wood, and Paper Products	2.5	4.4	3.8	4.6	6.5	7.0	11.5
Textiles	5.0	9.3	10.3	12.2	16.6	18.2	23.4
Clothing	3.3	6.1	7.9	9.5	13.4	15.9	18.1
Metals and Metal Manufactures	2.1	5.5	6.0	6.5	10.0	9.5	10.0
Machinery and Equipment	3.7	10.3	12.7	13.7	19.6	20.4	28.5
Scientific and Professional Goods, Watches, Clocks	-	0.8	1.5	3.5	5.4	8.1	10.3
Other Industrial Products	13.5	17.7	18.3	24.4	23.9	28.3	34.0
<u>Total Industrial Exports</u>	<u>51.1</u>	<u>81.5</u>	<u>96.0</u>	<u>114.9</u>	<u>149.5</u>	<u>176.0</u>	<u>211.8</u>
Other Exports and Re-Exports	17.6	22.3	23.0	23.6	25.7	28.8	34.9
<u>Total Exports¹/f.o.b.</u>	<u>152.7</u>	<u>220.8</u>	<u>244.3</u>	<u>285.1</u>	<u>332.5</u>	<u>371.4</u>	<u>431.2</u>
Correction for temporary transactions, redirected trade, and Shannon Exports	-8.2	13.0	21.8	21.9	23.2	24.5	28.8
<u>Exports, f.o.b., Balance of Payments Basis</u>	<u>144.5</u>	<u>233.8</u>	<u>266.1</u>	<u>307.0</u>	<u>355.7</u>	<u>395.9</u>	<u>460.0</u>

¹/Excluding Exports of Shannon Free Airport.

Source: Review of 1970 and Outlook for 1971 and C.S.O.

Table 3.4 Imports c.i.f., by Commodity
(in millions of pounds)

	<u>1960</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>
Agricultural Products							
Cattle and other Live Animals	8.6	15.5	12.0	13.8	15.2	16.6	20.5
Animal Feeding Stuffs	3.3	7.2	6.5	6.3	8.0	8.2	10.4
Cereals	7.3	18.5	16.4	12.7	15.2	11.4	13.8
Fruits, Nuts and Vegetables	6.7	10.4	12.1	12.7	13.3	14.7	15.0
Tea and Beverages	6.5	8.8	7.5	7.6	9.8	8.7	9.5
Other Agricultural Products	5.7	8.1	9.6	10.1	11.8	14.4	15.5
<u>Total Agricultural Products</u>	<u>38.1</u>	<u>68.5</u>	<u>64.1</u>	<u>63.2</u>	<u>73.3</u>	<u>74.0</u>	<u>81.7</u>
Industrial Products							
Fertilizers	6.1	8.1	5.4	9.0	12.0	10.0	10.7
Petroleum and Petroleum Products	17.8	22.9	23.2	29.3	32.2	35.6	43.0
Coal and Coke	8.3	8.4	8.6	8.0	8.4	8.5	9.7
Raw Materials	5.2	6.7	7.7	7.7	9.4	10.8	10.8
Chemicals, Plastics, and Pharmaceu- ticals	12.7	25.7	28.7	29.0	38.9	46.3	53.3
Wood and Pulp	6.6	9.2	7.6	9.2	13.1	13.8	14.2
Wood and Paper Manufactures	5.7 ^{3/}	11.4	14.8	13.3	16.8	20.4	22.3
Iron and Steel	6.7	12.4	10.0	10.3	14.9	19.7	22.3
Non-Ferrous Metals	3.3	6.8	8.2	7.5	10.3	11.7	12.1
Metal Manufactures	7.0	12.9	12.7	14.5	16.9	19.8	23.8
Non-Metallic Mineral Manufactures	- 4 ^{4/}	4.6	5.2	4.9	6.2	8.5	10.6
Agricultural Machinery	4.4	7.3	6.9	7.3	11.3	13.5	13.6
Other Machinery and Equipment	24.7	54.5	52.9	54.3	73.5	99.7	114.1
Motor Vehicles	13.9	21.8	20.8	22.0	30.0	36.1	39.4
Other Transportation Equipment	3.4	8.9	7.1	6.4	3.7	20.1	11.2
Professional and Scientific Goods, Watches, Clocks	4 ^{4/}	4.2	4.5	5.2	7.3	7.8	9.2
Textile Fibers	8.6	8.3	9.4	8.3	11.1	11.5	11.8
Textiles	15.6	21.2	22.8	24.7	32.2	38.5	43.5
Clothing	1.3	3.3	3.2	4.3	6.5	9.6	11.7
Leather Products and Footwear	2.0	2.7	2.6	3.1	3.8	5.6	6.5
Tobacco and Manufactures	4.9	4.0	5.1	5.8	8.5	9.8	5.4
Other	29.9	38.3	39.9	44.1	55.8	59.5	69.3
<u>Total Industrial Products</u>	<u>188.1</u>	<u>303.3</u>	<u>308.5</u>	<u>329.1</u>	<u>422.8</u>	<u>515.8</u>	<u>569.0</u>
<u>Total Imports, c.i.f.</u> ^{2/}	<u>226.2</u>	<u>371.8</u>	<u>372.6</u>	<u>392.3</u>	<u>496.1</u>	<u>589.8</u>	<u>653.7</u>
Correction for temporary transactions, redirected trade and Shannon imports	-8.1	9.1	18.0	14.8	12.5	16.0	15.0
<u>Imports, c.i.f., Balance of Payments Basis</u>	<u>218.1</u>	<u>380.9</u>	<u>390.6</u>	<u>407.1</u>	<u>508.6</u>	<u>605.8</u>	<u>669.0</u>

1/ Other than those listed under other headings.

2/ Excluding the imports of Shannon Free Airport.

3/ Paper products only, wood products included in other.

4/ Included in other.

Sources: Review of 1970 and Outlook for 1971 and C.S.O.

Table 3.5 Imports by Category of Use
(in millions of pounds)

	<u>1960</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>
Finished Capital Goods	25.3	60.3	57.9	58.8	72.7	112.3	114.9
Consumption Goods	47.6	80.0	84.2	87.9	115.9	134.9	153.3
Food, Drink, Tobacco	(13.9)	(23.2)	(23.7)	(25.0)	(29.5)	(31.6)	(34.2)
Other	(33.6)	(56.8)	(60.5)	(62.8)	(86.5)	(103.2)	(119.1)
Raw Materials and Semi-Finished Goods	142.8	219.6	219.1	234.5	296.1	332.6	371.5
For Use in Agriculture	(11.8)	(17.8)	(15.2)	(17.0)	(22.6)	(20.7)	(25.4)
Other Industries	(131.0)	(201.8)	(203.9)	(217.5)	(273.5)	(311.9)	(346.2)
Unclassified	10.5	11.8	11.4	11.1	11.4	10.0	14.0
<u>Total Imports</u> ^{1/}	<u>226.2</u>	<u>371.8</u>	<u>372.6</u>	<u>392.3</u>	<u>496.1</u>	<u>589.8</u>	<u>653.7</u>

^{1/} c.i.f., excluding imports of Shannon Free Airport

Source: Review of 1970 and Outlook for 1971 and C.S.O.

Table 3.6 Trade by Areas, 1960-70

(as percent of imports and exports)^{1/}

<u>Area</u>	<u>Imports</u>			<u>Exports</u>		
	<u>1960</u>	<u>1965</u>	<u>1970</u>	<u>1960</u>	<u>1965</u>	<u>1970</u>
United Kingdom	49.6	50.5	53.5	73.9	70.1	65.9
Other E.F.T.A.	3.2	3.7	6.0	1.3	1.5	1.8
E.E.C.	13.0	15.3	16.5	5.7	12.7	11.6
U.S. and Canada	10.4	10.6	9.0	8.9	5.0	12.2
Rest of World	20.1	17.7	14.0	4.8	6.9	7.0
Re-imports and temporary exports	3.2	2.2	1.0	5.4	3.8	1.5
Total	100.0	100.0	100.0	100.0	100.0	100.0

^{1/} Excluding imports and exports of Shannon Free Airport

Sources: Review of 1970 and Outlook for 1971 and C.S.O.

Table 3.7 1970 Exports by Commodity and Country of Destination
(in millions of U.S. dollars)

<u>SITC</u>		<u>U.K.</u>	<u>Other E.F.T.A.</u>	<u>E.E.C.</u>	<u>U.S. and Canada</u>	<u>Rest of World</u>	<u>Total</u>
0	Food and Live Animals	<u>347.5</u>	<u>4.9</u>	<u>28.9</u>	<u>48.9</u>	<u>24.0</u>	<u>454.2</u>
001.1	Cattle	<u>107.0</u>	-	<u>1.9</u>	-	<u>0.7</u>	<u>109.6</u>
	Other Live Animals	<u>14.6</u>	<u>0.4</u>	<u>1.3</u>	<u>1.1</u>	<u>0.9</u>	<u>18.3</u>
011.1	Beef: Fresh, Frozen, or Chilled	<u>77.9</u>	<u>1.7</u>	<u>4.2</u>	<u>34.5</u>	<u>0.5</u>	<u>118.8</u>
	Other Meat and Meat Products	<u>41.3</u>	<u>1.2</u>	<u>13.8</u>	<u>0.4</u>	<u>4.1</u>	<u>60.8</u>
	Dairy Products	<u>49.5</u>	<u>.1</u>	<u>.7</u>	<u>1.0</u>	<u>11.8</u>	<u>63.1</u>
03	Fish and Fish Products	<u>4.5</u>	<u>0.6</u>	<u>5.1</u>	<u>.4</u>	<u>.4</u>	<u>11.0</u>
073	Chocolate and Products	<u>19.4</u>	<u>0.3</u>	<u>.1</u>	<u>5.6</u>	<u>.3</u>	<u>25.7</u>
	Other	<u>33.3</u>	<u>0.6</u>	<u>1.8</u>	<u>5.9</u>	<u>5.3</u>	<u>46.9</u>
1	Beverages and Tobacco	<u>19.8</u>	<u>0.1</u>	<u>1.7</u>	<u>8.4</u>	<u>3.2</u>	<u>33.2</u>
112	Alcoholic Beverages	<u>19.1</u>	<u>0.1</u>	<u>.9</u>	<u>1.7</u>	<u>1.9</u>	<u>23.7</u>
	Other	<u>0.7</u>	-	<u>0.8</u>	<u>5.7</u>	<u>1.3</u>	<u>9.5</u>
2	Crude Materials excl. Fuels	<u>24.9</u>	<u>0.9</u>	<u>37.7</u>	<u>5.1</u>	<u>9.2</u>	<u>77.8</u>
28	Ores and Scrap	<u>6.1</u>	<u>0.2</u>	<u>34.5</u>	<u>2.1</u>	<u>7.0</u>	<u>50.4</u>
26	Textile Fibers	<u>6.0</u>	-	<u>1.6</u>	<u>1.2</u>	<u>1.1</u>	<u>9.7</u>
	Other	<u>12.8</u>	<u>0.7</u>	<u>1.8</u>	<u>1.8</u>	<u>1.1</u>	<u>17.7</u>
3	Mineral Fuels	<u>12.5</u>	<u>0.8</u>	<u>1.0</u>	-	<u>0.9</u>	<u>15.2</u>
4	Animal and Vegetable Oil, Fat	<u>4.1</u>	-	<u>1.0</u>	-	<u>0.4</u>	<u>5.5</u>
5	Chemicals	<u>18.9</u>	<u>.9</u>	<u>9.0</u>	<u>5.8</u>	<u>9.5</u>	<u>44.1</u>
6	Basic Manufactures	<u>104.2</u>	<u>2.7</u>	<u>13.0</u>	<u>15.0</u>	<u>4.6</u>	<u>139.5</u>
61	Leather	<u>13.1</u>	-	<u>.7</u>	<u>.4</u>	<u>0.4</u>	<u>14.6</u>
65	Textiles	<u>45.2</u>	<u>1.4</u>	<u>4.3</u>	<u>4.0</u>	<u>1.3</u>	<u>56.2</u>
66	Non-Metal Mineral Manufactures	<u>7.6</u>	<u>.1</u>	<u>3.4</u>	<u>5.2</u>	<u>0.9</u>	<u>17.2</u>
69	Metal Manufactures	<u>9.0</u>	<u>.5</u>	<u>1.0</u>	<u>3.5</u>	<u>0.8</u>	<u>14.8</u>
	Other	<u>29.3</u>	<u>0.7</u>	<u>3.6</u>	<u>2.3</u>	<u>1.2</u>	<u>36.7</u>
7	Machinery and Transport Equipment	<u>35.1</u>	<u>4.4</u>	<u>7.6</u>	<u>15.5</u>	<u>5.8</u>	<u>68.4</u>
71	Non-Electric Machinery	<u>9.8</u>	<u>1.1</u>	<u>2.7</u>	<u>6.4</u>	<u>2.3</u>	<u>22.3</u>
72	Electrical Machinery	<u>18.3</u>	<u>.7</u>	<u>4.2</u>	<u>8.9</u>	<u>2.2</u>	<u>34.3</u>
73	Transport Equipment	<u>7.0</u>	<u>2.6</u>	<u>.7</u>	<u>.2</u>	-	<u>11.8</u>
8	Miscellaneous Manufactured Goods	<u>70.5</u>	<u>2.7</u>	<u>15.8</u>	<u>10.3</u>	<u>11.1</u>	<u>110.7</u>
84	Clothing	<u>36.2</u>	<u>.1</u>	<u>3.2</u>	<u>3.4</u>	<u>0.6</u>	<u>43.5</u>
861.7	Medical Instruments	<u>4.0</u>	<u>1.7</u>	<u>10.4</u>	<u>1.3</u>	<u>4.2</u>	<u>21.6</u>
	Other	<u>30.3</u>	<u>.9</u>	<u>2.2</u>	<u>5.6</u>	<u>6.3</u>	<u>45.6</u>
9	Not Classified	<u>5.1</u>	<u>.2</u>	<u>.6</u>	<u>4.9</u>	<u>0.9</u>	<u>11.8</u>
	Re-Exports	<u>19.5</u>	<u>0.7</u>	<u>1.9</u>	<u>4.0</u>	<u>10.4</u>	<u>36.5</u>
	<u>Total Exports</u>	<u>661.9</u>	<u>17.9</u>	<u>117.7</u>	<u>115.2</u>	<u>85.7</u>	<u>998.4</u>

Source: U.N. Commodity Trade Statistics, 1970

Table 3.8: 1970 Imports by Commodity and Country of Origin

(in millions of US dollars)

SITC		U. K.	Other E.F.T.A.	E.E.C.	U.S. and Canada	Rest of World	Total
0	Food and live animals	<u>73.7</u>	<u>1.6</u>	<u>16.7</u>	<u>28.8</u>	<u>65.8</u>	<u>186.6</u>
00	Live animals	<u>40.2</u>	-	<u>1.1</u>	<u>2.6</u>	<u>0.1</u>	<u>44.0</u>
04	Cereals	6.3	.1	7.8	12.2	7.4	33.8
05	Fruits and vegetables	5.8	.5	5.0	3.5	21.3	36.1
07	Coffee, tea, cocoa, spices	5.7	-	1.9	-	19.4	27.0
	Other	15.7	1.0	0.1	10.5	17.6	45.7
1	Beverages and tobacco	<u>3.6</u>	<u>.7</u>	<u>8.1</u>	<u>7.3</u>	<u>4.7</u>	<u>24.1</u>
2	Crude materials excluding fuels	<u>20.2</u>	<u>17.9</u>	<u>8.1</u>	<u>14.6</u>	<u>33.8</u>	<u>94.6</u>
	Wood, lumber, cork, pulp	.8	17.4	.6	9.2	5.0	34.0
26	Textile fibers	10.5	.6	3.5	.3	13.3	28.2
	Other	8.9	-	4.0	5.1	15.5	32.4
3	Mineral fuels	<u>46.2</u>	<u>.4</u>	<u>8.0</u>	<u>.9</u>	<u>72.4</u>	<u>127.9</u>
	Coal, coke, briquettes	<u>4.3</u>	<u>.3</u>	<u>1.9</u>	<u>.7</u>	<u>16.1</u>	<u>23.3</u>
	Petroleum and petroleum products	40.5	.2	6.1	.3	56.2	103.3
	Natural gas	1.3	-	-	-	-	1.3
4	Animal and vegetable oil and fat	<u>1.3</u>	<u>1.2</u>	<u>1.2</u>	<u>1.0</u>	<u>5.0</u>	<u>9.7</u>
5	Chemicals	<u>87.2</u>	<u>4.7</u>	<u>40.1</u>	<u>7.2</u>	<u>8.2</u>	<u>147.4</u>
6	Basic manufactures	<u>218.6</u>	<u>30.8</u>	<u>55.6</u>	<u>20.4</u>	<u>20.4</u>	<u>345.8</u>
	Leather and leather products	5.4	.1	1.9	.6	.6	8.6
64	Paper and paper products	20.0	15.1	2.6	5.6	.4	43.7
65	Textiles	62.3	6.1	19.3	6.4	10.2	104.3
66	Non-metal mineral manufactures	18.1	1.0	4.8	.6	.9	25.4
67	Iron and steel	34.4	1.8	13.5	1.1	2.7	53.5
68	Non-ferrous metals	22.9	1.0	2.4	2.4	.4	29.1
69	Metal manufactures	42.0	3.1	8.3	2.2	1.5	57.1
	Other	13.5	2.6	2.8	1.5	3.7	24.1
7	Machinery and transport equipment	<u>252.2</u>	<u>28.2</u>	<u>98.8</u>	<u>38.4</u>	<u>8.3</u>	<u>425.9</u>
7.2	Agricultural machinery	<u>21.9</u>	<u>3.9</u>	<u>5.3</u>	<u>.3</u>	<u>1.0</u>	<u>32.4</u>
	Other non-electric machinery	100.4	15.9	45.8	16.7	3.3	182.1
72	Electrical machinery	49.8	6.9	21.2	5.6	1.8	85.3
732	Motor vehicles	65.9	.5	25.6	.5	2.0	94.5
	Other transportation equipment	14.1	1.1	.9	15.3	.2	31.6
8	Miscellaneous manufac- tured goods	<u>94.4</u>	<u>5.1</u>	<u>18.2</u>	<u>11.3</u>	<u>8.5</u>	<u>137.5</u>
84	Clothing	<u>25.0</u>	<u>.4</u>	<u>1.3</u>	<u>.5</u>	<u>.5</u>	<u>28.2</u>
851	Footwear	3.7	.2	1.1	-	.7	5.7
86	Instruments, watches, clocks	12.9	1.7	5.3	7.4	1.3	28.6
	Other	52.8	2.8	7.7	3.4	6.0	75.0
9	Not classified	<u>41.6</u>	<u>.8</u>	<u>3.6</u>	<u>4.9</u>	<u>18.6</u>	<u>69.5</u>
	Total Imports	<u>839.1</u>	<u>93.5</u>	<u>258.6</u>	<u>134.8</u>	<u>242.9</u>	<u>1,568.9</u>

Source: U.N. Commodity Statistics

Table 3.9 Index Numbers of Prices and Volume of Imports and Exports^{1/}

(Base 1953=100)

	<u>1955</u>	<u>1960</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>
Imports								
Price Index	104.1	106.6	112.9	112.9	112.2	121.5	126.4	135.0
Volume Index	107.6	114.4	177.5	177.9	188.6	220.2	251.6	261.1
Exports								
Price Index	101.4	102.2	110.9	112.9	112.9	121.1	128.5	137.5
Volume Index	95.3	130.2	173.7	188.9	220.5	239.5	252.5	273.9
Terms of Trade Index	97.4	95.9	98.2	100.0	100.1	99.7	101.7	101.9

^{1/} Excluding imports and exports of Shannon Free Airport

Sources: Review of 1970 and Outlook for 1971 and C.S.O.

Table 3.10 Official External Reserves

(in millions of U.S. dollars)

	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>Sept.</u> <u>1971</u>
Gold	21	23	25	79	39	16	16
SDRs	-	-	-	-	-	13	26
Reserve Position at IMF	11	-	11	48	58	30	35
Foreign Exchange	378	471	403	418	594	637	820
<u>Total Reserves</u>	<u>410</u>	<u>494</u>	<u>439</u>	<u>545</u> ^{1/}	<u>691</u> ^{1/}	<u>696</u>	<u>898</u>

^{1/} In 1968-69 the foreign reserves of the associated banks were transferred to the Central Bank. This transfer was the primary cause of the large increase in official external reserves that occurred during this period.

Source: I.M.F. International Financial Statistics

Table 4.1 IRELAND

EXTERNAL PUBLIC DEBT OUTSTANDING AS OF DECEMBER 31, 1971

DEBT REPAYABLE IN FOREIGN CURRENCY

IN THOUSANDS OF U.S. DOLLARS

CREDITOR COUNTRY TYPE OF CREDITOR	DEBT OUTSTANDING DECEMBER 31, 1971		
	DISBURSED	UNDISBURSED	TOTAL
FRANCE	1,651	2,116	3,767
GERMANY (FED. REP. OF)	1,436	266	1,702
UNITED KINGDOM	2,413	1,053	3,466
USA	7,646	-	7,646
SUPPLIERS	13,146	3,435	16,581
CANADA	16,937	-	16,937
GERMANY (FED. REP. OF)	53,337	-	53,337
SWITZERLAND	22,936	1,645	24,581
UNITED KINGDOM	15,883	9,362	25,245
USA	25,192	-	25,192
MULTIPLE LENDERS	-	30,000	30,000
PRIVATE BANKS	134,265	41,007	175,272
GERMANY (FED. REP. OF)	62,060	-	62,060
LUXEMBOURG	15,000	-	15,000
UNITED KINGDOM	26,058	-	26,058
USA	25,000	-	25,000
MULTIPLE LENDERS	99,879	-	99,879
PUBLICLY ISSUED BONDS	227,997	-	227,997
UNITED KINGDOM	261	-	261
USA	1,400	-	1,400
OTHER PRIVATE FINANCIAL INST.	1,661	-	1,661
IBRD	11,217	46,283	57,500
LOANS FROM INTL. ORGANIZATIONS	11,217	46,283	57,500
UNITED KINGDOM	5,435	25,223	30,658
USA	128,753	5,647	134,400
LOANS FROM GOVERNMENTS	134,188	30,870	165,058
TOTAL EXTERNAL PUBLIC DEBT	522,494	121,595	644,089

NOTE: DEBT WITH A MATURITY OF OVER ONE YEAR

Table 4.2 IRELAND

EXTERNAL PUBLIC DEBT AS OF DECEMBER 31, 1971

PAGE 1

DEBT REPAYABLE IN FOREIGN CURRENCY

IN THOUSANDS OF U.S. DOLLARS

TOTAL

YEAR	DEBT OUTSTANDING BEGINNING OF PERIOD		TRANSACTIONS DURING PERIOD					CANCEL- LATIONS, ADJUST- MENTS (8)
	DISBURSED ONLY (1)	INCLUDING UNDISBURSED (2)	COMMIT- MENTS (3)	DISBURSE- MENTS (4)	PRINCIPAL (5)	SERVICE PAYMENTS INTEREST (6)	TOTAL (7)	
1967	194,693	217,895	16,337	3,840	8,633	7,575	16,208	-9,58
1968	181,023	216,067	44,772	13,597	10,659	7,883	18,542	4
1969	183,958	250,224	145,070	127,202	8,092	8,639	16,731	-6,60
1970	296,855	380,602	80,638	97,552	15,810	16,244	32,054	-78
1971	376,252	444,695	200,744	99,911	29,366	24,403	53,769	28,01
1972	522,494	644,089	-	37,156	33,866	34,408	68,273	-42,32
1973	518,465	567,903	-	19,863	34,317	34,621	68,937	
1974	501,405	530,981	-	9,241	33,447	33,488	66,984	
1975	477,199	497,534	-	8,255	40,947	32,182	73,129	
1976	444,507	456,587	-	6,897	48,652	30,356	79,008	
1977	402,752	407,935	-	3,594	43,493	28,187	71,680	
1978	362,853	364,442	-	977	39,760	25,920	65,680	
1979	324,071	324,683	-	382	34,072	23,790	57,862	
1980	290,360	290,610	-	161	32,326	21,774	54,099	
1981	258,195	258,284	-	64	39,243	19,873	59,116	
1982	219,017	219,042	-	22	30,204	17,333	47,537	
1983	188,835	188,838	-	3	39,887	15,647	55,534	
1984	148,951	148,951	-	-	21,607	13,107	34,714	
1985	127,345	127,345	-	-	11,770	11,534	23,304	
1986	115,575	115,575	-	-	6,597	10,687	17,284	
1987	108,978	108,978	-	-	5,130	10,189	15,319	
1988	103,848	103,848	-	-	2,940	9,862	12,802	
1989	100,908	100,908	-	-	3,155	9,652	12,807	
1990	97,743	97,743	-	-	2,255	9,445	11,700	
1991	95,488	95,488	-	-	2,410	9,287	11,697	

NOTE: INCLUDES SERVICE ON ALL DEBTS LISTED IN TABLE 1 PREPARED MAY 2, 1972 WITH THE EXCEPTION OF THE FOLLOWING,
FOR WHICH REPAYMENT TERMS ARE NOT AVAILABLE:

PRIVATE BANKS

(\$42,320)

Table 4.2 IRELAND

EXTERNAL PUBLIC DEBT AS OF DECEMBER 31, 1971

PAGE 2

DEBT REPAYABLE IN FOREIGN CURRENCY

IN THOUSANDS OF U.S. DOLLARS

SUPPLIERS

YEAR	DEBT OUTSTANDING BEGINNING OF PERIOD		TRANSACTIONS DURING PERIOD					CANCEL- LATIONS, ADJUST- MENTS (8)
	DISBURSED ONLY (1)	INCLUDING UNDISBURSED (2)	COMMIT- MENTS (3)	DISBURSE- MENTS (4)	PRINCIPAL (5)	SERVICE PAYMENTS INTEREST (6)	TOTAL (7)	
1967	6,861	6,861	3,606	-	1,993	606	2,599	-1,084
1968	4,299	7,390	9,974	5,384	1,080	222	1,802	=6
1969	8,597	16,278	3,271	3,062	2,199	317	2,516	-516
1970	9,456	16,834	1,665	4,105	2,833	778	3,811	-340
1971	10,727	15,326	3,223	5,638	2,714	1,366	5,080	1,746
1972	13,146	16,581	-	3,435	2,150	427	3,977	-
1973	13,431	13,431	-	-	3,556	804	4,859	-
1974	9,875	9,875	-	-	3,340	570	3,910	-
1975	6,536	6,536	-	-	3,035	344	3,379	-
1976	3,501	3,501	-	-	1,885	167	2,052	-
1977	1,616	1,616	-	-	552	79	631	-
1978	1,063	1,063	-	-	354	54	408	-
1979	709	709	-	-	354	34	389	-
1980	354	354	-	-	354	15	369	-

Table 4.2 IRELAND

EXTERNAL PUBLIC DEBT AS OF DECEMBER 31, 1971

PAGE 3

DEBT REPAYABLE IN FOREIGN CURRENCY

IN THOUSANDS OF U.S. DOLLARS

PRIVATE BANKS

YEAR	DEBT OUTSTANDING BEGINNING OF PERIOD		TRANSACTIONS DURING PERIOD					CANCEL- LATIONS, ADJUST- MENTS (8)
	DISBURSED ONLY (1)	INCLUDING UNDISBURSED (2)	COMMIT- MENTS (3)	DISBURSE- MENTS (4)	PRINCIPAL (5)	SERVICE PAYMENTS INTEREST (6)	TOTAL (7)	
1967	36,820	37,800	11,231	3,840	3,200	2,026	5,226	-2,400
1968	35,200	43,431	20,400	6,713	5,373	2,172	7,545	47
1969	36,540	58,505	60,729	64,840	1,835	4,296	6,131	681
1970	100,102	118,080	36,653	19,211	6,353	6,606	12,959	-301
1971	112,710	148,079	29,497	24,330	18,053	8,126	21,179	10,769
1972	134,285	175,292	"	3,826	14,914	7,292	22,206	-42,320
1973	115,877	118,058	"	2,181	10,294	6,758	17,052	"
1974	105,158	105,158	"	"	8,376	6,140	14,516	"
1975	96,781	96,781	"	"	12,515	5,634	18,149	"
1976	84,267	84,267	"	"	16,207	4,903	21,110	"
1977	68,060	68,060	"	"	12,444	4,265	16,709	"
1978	55,616	55,616	"	"	12,561	3,595	16,156	"
1979	43,055	43,055	"	"	8,895	2,941	11,836	"
1980	34,160	34,160	"	"	6,454	2,376	8,830	"
1981	27,706	27,706	"	"	5,586	1,947	7,532	"
1982	22,120	22,120	"	"	5,586	1,545	7,130	"
1983	16,535	16,535	"	"	5,586	1,143	6,728	"
1984	10,949	10,949	"	"	9,336	688	10,024	"
1985	1,614	1,614	"	"	807	137	944	"
1986	807	807	"	"	807	69	875	"

Table 4.2 - IRELAND

EXTERNAL PUBLIC DEBT AS OF DECEMBER 31, 1971

PAGE 4

DEBT REPAYABLE IN FOREIGN CURRENCY

IN THOUSANDS OF U.S. DOLLARS

PUBLICLY ISSUED BONDS

YEAR	DEBT OUTSTANDING BEGINNING OF PERIOD		TRANSACTIONS DURING PERIOD					CANCEL- LATIONS, ADJUST- MENTS (8)
	DISBURSED ONLY (1)	INCLUDING UNDISBURSED (2)	COMMIT- MENTS (3)	DISBURSE- MENTS (4)	PRINCIPAL (5)	SERVICE PAYMENTS INTEREST (6)	TOTAL (7)	
1967	33,800	33,600	-	-	-	1,872	1,872	4,800
1968	28,800	28,800	-	-	-	2,254	2,254	-
1969	28,800	28,800	47,320	47,320	-	1,142	1,142	-
1970	76,120	76,120	42,320	42,320	2,087	4,579	6,666	60
1971	116,293	116,293	99,890	51,023	1,792	9,318	11,110	13,606
1972	227,997	227,997	-	-	4,047	19,888	23,935	-
1973	223,950	223,950	-	-	4,047	19,565	23,612	-
1974	219,903	219,903	-	-	4,047	19,242	23,289	-
1975	215,856	215,856	-	-	7,150	18,919	26,069	-
1976	208,706	208,706	-	-	11,003	18,371	29,374	-
1977	197,703	197,703	-	-	11,003	17,497	28,500	-
1978	186,700	186,700	-	-	11,003	16,623	27,626	-
1979	175,697	175,697	-	-	11,003	15,749	26,752	-
1980	164,694	164,694	-	-	11,003	14,875	25,878	-
1981	153,691	153,691	-	-	18,698	14,002	32,700	-
1982	134,993	134,993	-	-	8,106	12,508	20,614	-
1983	126,887	126,887	-	-	21,135	11,856	32,991	-
1984	105,752	105,752	-	-	8,106	10,226	18,332	-
1985	97,646	97,646	-	-	6,503	9,507	16,010	-
1986	91,143	91,143	-	-	1,000	9,052	10,052	-
1987	90,143	90,143	-	-	-	8,970	8,970	-
1988	90,143	90,143	-	-	-	8,970	8,970	-
1989	90,143	90,143	-	-	-	8,970	8,970	-
1990	90,143	90,143	-	-	-	8,970	8,970	-
1991	90,143	90,143	-	-	-	8,970	8,970	-

Table 4.2 IRELAND

EXTERNAL PUBLIC DEBT AS OF DECEMBER 31, 1971

PAGE 5

DEBT REPAYABLE IN FOREIGN CURRENCY

IN THOUSANDS OF U.S. DOLLARS

OTHER PRIVATE FINANCIAL INST.

YEAR	DEBT OUTSTANDING BEGINNING OF PERIOD		TRANSACTIONS DURING PERIOD					CANCEL- LATIONS, ADJUST- MENTS (8)
	DISBURSED ONLY (1)	INCLUDING UNDISBURSED (2)	COMMIT- MENTS (3)	DISBURSE- MENTS (4)	PRINCIPAL (5)	SERVICE PAYMENTS INTEREST (6)	TOTAL (7)	
1967	280	280	1,500	-	-	17	17	-40
1968	240	1,740	-	1,500	31	104	135	-
1969	1,709	1,709	-	-	33	104	137	-
1970	1,676	1,676	-	-	-	103	103	-
1971	1,676	1,676	-	-	36	101	137	21
1972	1,661	1,661	-	-	40	100	140	-
1973	1,621	1,621	-	-	41	97	138	-
1974	1,580	1,580	-	-	44	95	139	-
1975	1,536	1,536	-	-	47	92	139	-
1976	1,489	1,489	-	-	49	89	138	-
1977	1,440	1,440	-	-	52	86	138	-
1978	1,388	1,388	-	-	56	83	139	-
1979	1,332	1,332	-	-	59	79	138	-
1980	1,273	1,273	-	-	63	76	139	-
1981	1,210	1,210	-	-	67	72	139	-
1982	1,143	1,143	-	-	1,143	35	1,178	-

Table 4.2 IRELAND

EXTERNAL PUBLIC DEBT AS OF DECEMBER 31, 1971

PAGE 6

DEBT REPAYABLE IN FOREIGN CURRENCY

IN THOUSANDS OF U.S. DOLLARS

LOANS FROM INTL. ORGANIZATIONS
IBRD

YEAR	DEBT OUTSTANDING BEGINNING OF PERIOD		TRANSACTIONS DURING PERIOD					CANCEL- LATIONS, ADJUST- MENTS (8)
	DISBURSED ONLY (1)	INCLUDING UNDISBURSED (2)	COMMIT- MENTS (3)	DISBURSE- MENTS (4)	PRINCIPAL (5)	SERVICE PAYMENTS INTEREST (6)	TOTAL (7)	
1969	-	-	14,500	290	-	4	4	-
1970	290	14,500	-	3,282	-	102	102	-
1971	3,572	14,500	43,000	7,645	-	635	635	-
1972	11,217	57,500	-	7,433	-	1,117	1,117	-
1973	18,650	57,500	-	9,274	-	1,662	1,662	-
1974	27,924	57,500	-	9,241	355	2,265	2,640	-
1975	36,810	57,145	-	8,255	760	2,838	3,598	-
1976	44,305	56,385	-	6,897	1,910	3,288	5,198	-
1977	49,292	54,475	-	3,594	2,540	3,542	6,082	-
1978	50,346	51,935	-	977	2,735	3,538	6,273	-
1979	48,588	49,200	-	362	2,930	3,389	6,319	-
1980	46,020	46,270	-	161	3,145	3,196	6,341	-
1981	43,036	43,125	-	64	3,370	2,877	6,347	-
1982	39,730	39,755	-	22	3,620	2,736	6,356	-
1983	36,132	36,135	-	3	3,885	2,474	6,359	-
1984	32,250	32,250	-	-	4,165	2,492	6,357	-
1985	28,085	28,085	-	-	4,460	1,890	6,350	-
1986	23,625	23,625	-	-	4,790	1,566	6,356	-
1987	18,835	18,835	-	-	5,130	1,219	6,349	-
1988	13,705	13,705	-	-	2,940	892	3,832	-
1989	10,765	10,765	-	-	3,155	682	3,837	-
1990	7,600	7,600	-	-	2,255	975	2,730	-
1991	5,345	5,345	-	-	2,410	317	2,727	-

Table 4.2 IRELAND

EXTERNAL PUBLIC DEBT AS OF DECEMBER 31, 1971

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DEBT REPAYABLE IN FOREIGN CURRENCY

IN THOUSANDS OF U.S. DOLLARS

LOANS FROM GOVERNMENTS
UNITED KINGDOM

YEAR	DEBT OUTSTANDING BEGINNING OF PERIOD		TRANSACTIONS DURING PERIOD				TOTAL (7)	CANCEL- LATIONS, ADJUST- MENTS (8)
	DISBURSED ONLY (1)	INCLUDING UNDISBURSED (2)	COMMIT- MENTS (3)	DISBURSE- MENTS (4)	PRINCIPAL (5)	SERVICE PAYMENTS INTEREST (6)		
1969	-	-	4,562	2,710	-	67	67	1
1970	2,710	4,563	-	1,853	444	211	655	-1
1971	4,118	4,118	25,134	1,375	469	246	715	1,875
1972	5,435	30,658	-	16,815	1,768	523	2,291	-
1973	20,483	28,890	-	8,408	3,038	1,316	4,354	-
1974	25,852	25,852	-	-	8,038	1,380	4,418	-
1975	22,814	22,814	-	-	8,038	1,213	4,251	-
1976	19,776	19,776	-	-	3,038	1,046	4,084	-
1977	16,738	16,738	-	-	3,038	879	3,917	-
1978	13,700	13,700	-	-	8,038	712	3,750	-
1979	10,662	10,662	-	-	3,038	545	3,583	-
1980	7,623	7,623	-	-	2,541	384	2,925	-
1981	5,082	5,082	-	-	2,541	245	2,786	-
1982	2,541	2,541	-	-	2,541	105	2,646	-

Table 4.2 IRELAND

EXTERNAL PUBLIC DEBT AS OF DECEMBER 31, 1971

PAGE 8

DEBT REPAYABLE IN FOREIGN CURRENCY

IN THOUSANDS OF U.S. DOLLARS

LOANS FROM GOVERNMENTS
USA

YEAR	DEBT OUTSTANDING BEGINNING OF PERIOD		TRANSACTIONS DURING PERIOD					CANCEL- LATIONS/ ADJUST- MENTS (8)
	DISBURSED ONLY (1)	INCLUDING UNDISBURSED (2)	COMMIT- MENTS (3)	DISBURSE- MENTS (4)	PRINCIPAL (5)	SERVICE PAYMENTS INTEREST (6)	TOTAL (7)	
1967	108,673	130,895	-	-	3,202	2,692	5,894	-
1968	105,471	127,693	14,398	-	3,925	2,781	6,706	-
1969	101,546	138,166	14,688	8,980	4,025	2,709	6,734	-
1970	106,501	148,829	-	26,781	4,093	3,865	7,958	-33
1971	129,156	144,703	-	9,900	10,302	4,611	14,913	-1
1972	128,753	134,400	-	5,647	9,947	4,661	14,608	-
1973	124,453	124,453	-	-	13,340	4,398	17,739	-
1974	111,112	111,112	-	-	14,246	3,776	18,023	-
1975	96,866	96,866	-	-	14,402	3,142	17,544	-
1976	82,463	82,463	-	-	14,559	2,493	17,052	-
1977	67,904	67,904	-	-	13,863	1,840	15,704	-
1978	54,040	54,040	-	-	10,012	1,315	11,328	-
1979	44,028	44,028	-	-	7,793	1,051	8,844	-
1980	36,235	36,235	-	-	8,765	851	9,616	-
1981	27,470	27,470	-	-	8,981	631	9,612	-
1982	18,489	18,489	-	-	9,208	405	9,613	-
1983	9,281	9,281	-	-	9,281	174	9,455	-

Table 4.2 IRELAND

EXTERNAL PUBLIC DEBT AS OF DECEMBER 31, 1971

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DEBT REPAYABLE IN FOREIGN CURRENCY

IN THOUSANDS OF U.S. DOLLARS

LOANS FROM GOVERNMENTS

YEAR	DEBT OUTSTANDING BEGINNING OF PERIOD		TRANSACTIONS DURING PERIOD					CANCEL- LATIONS, ADJUST- MENTS (8)
	DISBURSED ONLY (1)	INCLUDING UNDISBURSED (2)	COMMIT- MENTS (3)	DISBURSE- MENTS (4)	PRINCIPAL (5)	SERVICE PAYMENTS INTEREST (6)	TOTAL (7)	
1967	108,673	130,895	-	-	3,202	2,692	5,894	-
1968	105,471	127,693	14,398	-	3,925	2,781	6,706	-
1969	101,546	138,166	19,250	11,690	4,025	2,776	6,801	1
1970	109,211	153,392	-	28,634	4,537	4,076	8,613	-34
1971	133,274	148,821	25,134	11,275	10,771	4,857	15,628	1,874
1972	134,188	165,058	-	22,462	11,715	5,184	16,899	-
1973	144,935	153,343	-	8,408	18,379	5,714	22,093	-
1974	136,964	136,964	-	-	17,285	5,156	22,441	-
1975	119,680	119,680	-	-	17,441	4,355	21,796	-
1976	102,239	102,239	-	-	17,598	3,539	21,136	-
1977	84,642	84,642	-	-	16,902	2,719	19,621	-
1978	67,740	67,740	-	-	13,050	2,027	15,078	-
1979	54,690	54,690	-	-	10,831	1,596	12,427	-
1980	43,858	43,858	-	-	11,306	1,236	12,542	-
1981	32,552	32,552	-	-	11,522	875	12,398	-
1982	21,030	21,030	-	-	11,749	510	12,259	-
1983	9,281	9,281	-	-	9,281	174	9,455	-

Table 5.1 Central Government Current Expenditure ^{1/}

(in millions of pounds)

	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u> ^{2/}	<u>1971</u> ^{3/}
Social Services	<u>84.2</u>	<u>93.1</u>	<u>103.0</u>	<u>118.8</u>	<u>144.4</u>	<u>178.8</u>	<u>195.3</u>
Social Welfare	<u>38.7</u>	<u>43.0</u>	<u>45.1</u>	<u>49.1</u>	<u>59.0</u>	<u>72.4</u>	<u>76.4</u>
Education	<u>29.6</u>	<u>31.3</u>	<u>35.8</u>	<u>44.0</u>	<u>53.2</u>	<u>62.8</u>	<u>73.3</u>
Health	<u>15.9</u>	<u>18.7</u>	<u>22.1</u>	<u>25.7</u>	<u>32.2</u>	<u>43.6</u>	<u>45.6</u>
Economic Services	<u>55.2</u>	<u>59.9</u>	<u>75.2</u>	<u>84.4</u>	<u>98.2</u>	<u>110.2</u>	<u>120.6</u>
Agriculture	<u>35.8</u>	<u>40.8</u>	<u>53.3</u>	<u>60.6</u>	<u>71.2</u>	<u>76.8</u>	<u>86.1</u>
Industry	<u>4.7</u>	<u>4.8</u>	<u>6.6</u>	<u>7.4</u>	<u>9.0</u>	<u>10.4</u>	<u>13.1</u>
Transport	<u>12.5</u>	<u>12.1</u>	<u>13.0</u>	<u>14.4</u>	<u>15.0</u>	<u>19.4</u>	<u>17.0</u>
Forestry and Fishing	<u>2.2</u>	<u>2.2</u>	<u>2.3</u>	<u>2.6</u>	<u>3.0</u>	<u>3.6</u>	<u>4.4</u>
General Services	<u>43.0</u>	<u>44.1</u>	<u>46.4</u>	<u>51.2</u>	<u>58.3</u>	<u>74.3</u>	<u>81.3</u>
Post Office	<u>13.8</u>	<u>14.9</u>	<u>15.3</u>	<u>17.2</u>	<u>19.9</u>	<u>25.7</u>	<u>27.1</u>
Defense	<u>11.7</u>	<u>10.4</u>	<u>11.4</u>	<u>12.9</u>	<u>14.6</u>	<u>18.7</u>	<u>19.4</u>
Justice	<u>8.4</u>	<u>9.3</u>	<u>9.4</u>	<u>10.2</u>	<u>11.8</u>	<u>14.8</u>	<u>17.6</u>
Public Service Pensions	<u>9.1</u>	<u>9.6</u>	<u>10.3</u>	<u>10.9</u>	<u>12.0</u>	<u>15.1</u>	<u>17.2</u>
Interest on the Public Debt ^{4/}	<u>26.7</u>	<u>32.1</u>	<u>36.9</u>	<u>42.8</u>	<u>52.0</u>	<u>61.1</u>	<u>76.0</u>
Other Expenditure	<u>16.6</u>	<u>17.1</u>	<u>18.7</u>	<u>20.5</u>	<u>22.6</u>	<u>25.7</u>	<u>30.2</u>
<u>Total Current Expenditure</u> ^{4/}	<u>225.7</u>	<u>246.2</u>	<u>280.2</u>	<u>317.7</u>	<u>375.5</u>	<u>450.1</u>	<u>503.4</u>

^{1/} Fiscal Year beginning April 1

^{2/} Preliminary

^{3/} Budget estimate

^{4/} Excluding payments to the road fund and sinking fund

Source: 1970 and 1971 Budgets

Table 5.2: Central Government Current Revenues^{/1}

(in millions of pounds)

	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u> ^{/2}	<u>1971</u> ^{/3}
Tax Revenues							
Taxes on income	<u>63.9</u>	<u>73.4</u>	<u>82.1</u>	<u>93.5</u>	<u>108.2</u>	<u>136.9</u>	<u>159.0</u>
Income tax	<u>52.0</u>	<u>60.7</u>	<u>66.9</u>	<u>77.3</u>	<u>89.7</u>	<u>112.8</u>	<u>132.9</u>
Sur-tax	<u>2.7</u>	<u>3.3</u>	<u>3.1</u>	<u>3.4</u>	<u>3.6</u>	<u>3.8</u>	<u>4.5</u>
Corporation profits tax	<u>9.2</u>	<u>9.4</u>	<u>12.1</u>	<u>12.8</u>	<u>14.9</u>	<u>20.3</u>	<u>21.6</u>
Taxes on expenditure	<u>136.2</u>	<u>155.2</u>	<u>173.1</u>	<u>195.4</u>	<u>238.1</u>	<u>273.7</u>	<u>298.2</u>
Customs	<u>58.4</u>	<u>67.8</u>	<u>70.1</u>	<u>76.0</u>	<u>87.7</u>	<u>91.9</u>	<u>93.0</u>
Excise	<u>49.1</u>	<u>55.0</u>	<u>62.0</u>	<u>72.6</u>	<u>87.9</u>	<u>91.0</u>	<u>98.0</u>
Stamp duties	<u>3.9</u>	<u>3.5</u>	<u>4.2</u>	<u>5.1</u>	<u>5.5</u>	<u>5.6</u>	<u>7.0</u>
Turnover tax	<u>14.3</u>	<u>14.9</u>	<u>16.1</u>	<u>17.9</u>	<u>20.3</u>	<u>41.2</u>	<u>48.5</u>
Wholesale tax	<u>-</u>	<u>2.3</u>	<u>7.3</u>	<u>9.6</u>	<u>20.2</u>	<u>25.0</u>	<u>30.7</u>
Motor vehicle duties	<u>9.4</u>	<u>10.4</u>	<u>11.6</u>	<u>12.7</u>	<u>13.4</u>	<u>16.1</u>	<u>17.9</u>
Other	<u>1.1</u>	<u>1.3</u>	<u>1.8</u>	<u>1.5</u>	<u>3.1</u>	<u>2.9</u>	<u>3.1</u>
Estate duties	<u>4.8</u>	<u>4.6</u>	<u>6.0</u>	<u>7.6</u>	<u>7.7</u>	<u>6.3</u>	<u>7.8</u>
<u>Total Tax Revenue</u>	<u>204.9</u>	<u>233.2</u>	<u>261.2</u>	<u>296.5</u>	<u>354.0</u>	<u>416.9</u>	<u>465.0</u>
Non-tax Revenues							
Post, telegraph, and telephone	<u>16.4</u>	<u>18.3</u>	<u>20.5</u>	<u>21.7</u>	<u>27.4</u>	<u>29.7</u>	<u>36.6</u>
Interest and dividends	<u>11.0</u>	<u>12.5</u>	<u>13.2</u>	<u>14.9</u>	<u>18.4</u>	<u>22.5</u>	<u>26.6</u>
Central Bank income transferred to the Exchequer	<u>3.2</u>	<u>3.3</u>	<u>3.5</u>	<u>5.7</u>	<u>6.3</u>	<u>6.5</u>	<u>7.8</u>
Other	<u>5.3</u>	<u>5.5</u>	<u>7.0</u>	<u>6.7</u>	<u>4.9</u>	<u>5.9</u>	<u>5.8</u>
<u>Total Non-tax Revenue</u>	<u>35.9</u>	<u>39.6</u>	<u>44.2</u>	<u>49.0</u>	<u>57.0</u>	<u>64.6</u>	<u>76.8</u>
<u>Total Current Revenue</u>	<u>240.8</u>	<u>272.8</u>	<u>305.4</u>	<u>345.5</u>	<u>411.0</u>	<u>481.5</u>	<u>541.8</u>

^{/1} Fiscal year beginning April 1.^{/2} Preliminary.^{/3} Budget estimate.

Sources: 1970 and 1971 Budgets.

Table 5.3/ Consolidated Public Capital Program^{1/}

(in millions of pounds)

	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u> ^{4/}	<u>1971</u> ^{5/}
Building and Construction	<u>34.0</u>	<u>35.0</u>	<u>41.1</u>	<u>48.0</u>	<u>53.4</u>	<u>57.1</u>	<u>61.5</u>
Housing	<u>20.1</u>	<u>22.6</u>	<u>25.6</u>	<u>28.2</u>	<u>31.1</u>	<u>33.2</u>	<u>36.8</u>
Sanitary and Miscellaneous Services	4.0	3.5	3.5	4.5	5.6	6.3	6.6
Education	6.1	4.9	7.3	11.0	12.7	11.7	12.0
Hospitals	2.4	3.1	3.6	3.3	2.9	3.7	3.9
Other Building and Construction	1.4	0.9	1.1	1.0	1.2	2.2	2.2
Agriculture, Forestry, Fishing	<u>20.9</u>	<u>19.0</u>	<u>20.7</u>	<u>23.2</u>	<u>25.2</u>	<u>26.8</u>	<u>26.0</u>
Agriculture	<u>13.1</u>	<u>13.0</u>	<u>13.9</u>	<u>15.4</u>	<u>16.4</u>	<u>16.2</u>	<u>15.5</u>
Agricultural Credit	5.8	3.8	4.3	5.2	5.8	6.9	6.3
Forestry	1.5	1.8	1.9	2.0	2.4	2.8	3.2
Fishing	0.5	0.4	0.6	0.6	0.6	0.9	1.0
Transportation	<u>20.3</u>	<u>19.3</u>	<u>22.4</u>	<u>32.7</u>	<u>46.1</u>	<u>45.9</u>	<u>39.3</u>
Ports, Harbors, Airports	<u>1.5</u>	<u>1.8</u>	<u>2.5</u>	<u>3.6</u>	<u>5.7</u>	<u>6.6</u>	<u>6.9</u>
Roads ^{2/}	9.4	8.4	9.2	10.0	10.6	11.5	11.8
Transport	9.4	9.1	10.7	19.1	29.8	27.8	20.6
Communications	<u>7.4</u>	<u>6.3</u>	<u>6.6</u>	<u>6.9</u>	<u>8.0</u>	<u>10.0</u>	<u>10.3</u>
Radio and Television	<u>0.6</u>	<u>0.4</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.7</u>	<u>0.8</u>
Telephones	6.8	5.9	6.1	6.4	7.5	9.3	9.5
Industry	<u>11.4</u>	<u>10.7</u>	<u>12.6</u>	<u>18.8</u>	<u>27.9</u>	<u>34.2</u>	<u>41.2</u>
Industry	<u>7.4</u>	<u>7.6</u>	<u>9.8</u>	<u>14.1</u>	<u>20.2</u>	<u>27.4</u>	<u>31.4</u>
Industrial Credit	4.0	3.1	2.8	4.7	7.5	6.8	9.8
Fuel and Power	<u>13.5</u>	<u>14.5</u>	<u>14.6</u>	<u>19.0</u>	<u>20.4</u>	<u>23.5</u>	<u>23.1</u>
Tourism	<u>0.9</u>	<u>0.9</u>	<u>1.3</u>	<u>2.2</u>	<u>2.6</u>	<u>3.1</u>	<u>3.0</u>
Other	<u>0.3</u>	<u>0.3</u>	<u>0.2</u>	<u>0.0</u>	<u>0.5</u>	<u>0.5</u>	<u>0.7</u>
Total ^{3/}	<u>108.7</u>	<u>106.0</u>	<u>119.6</u>	<u>150.9</u>	<u>184.0</u>	<u>201.2</u>	<u>205.2</u>

1/ Fiscal Year beginning April 1

2/ Payments to the Road Fund for construction and major repair of roads

3/ Including Road Fund

4/ Preliminary

5/ Budget estimate

Source: 1970 and 1971 Budgets

Table 5.4: Financing of the Consolidated Public Capital Program^{/1}

(in millions of pounds)

	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u> ^{/5}	<u>1971</u> ^{/6}
Requirements							
Capital expenditure ^{/2}	108.7	106.0	119.6	150.9	184.0	201.2	205.2
Amortization payments to sinking fund	12.9	16.0	17.6	23.1	26.2	28.8	26.5
Refinancing of previous borrowings	8.8	10.3	6.6	16.7	8.9)	33.5 ^{/7}	23.5 ^{/7}
Other	7.0	5.6	1.3	16.5	2.7)		
<u>Total Requirements</u>	<u>137.4</u>	<u>137.9</u>	<u>145.1</u>	<u>207.2</u>	<u>221.8</u>	<u>263.5</u>	<u>255.2</u>
Sources							
Central Government	<u>107.9</u>	<u>104.9</u>	<u>109.8</u>	<u>154.6</u>	<u>158.0</u>	<u>188.9</u>	<u>187.0</u>
Current budget surplus	15.1	26.6	25.2	27.8	35.5	31.4	38.4
Loan repayments	5.9	6.2	5.7	11.0	7.7	9.3	9.3
Other internal resources	10.0	14.3	20.3	17.3	28.0	50.2 ^{8/}	35.0 ^{8/}
Borrowing	76.9	57.8	58.6	98.5	86.8	98.0	104.3
Small savings and prize bonds	(4.5)	(7.0)	(6.2)	(5.0)	(2.9)	- 2/	- 2/
National loan	(21.3)	(24.8)	(21.0)	(25.5)	(19.2)	(28.7)	(27.0)
Miscellaneous borrowing	-	-	(6.4)	-	(3.8)	(17.1)	(4.3)
Borrowing from domestic banks	(11.6)	(16.2)	(25.0)	(52.0)	(50.0)	(35.0)	(48.0)
Borrowing from Central Bank	(24.5)	-	-	(16.0)	-	-	-
Foreign borrowing	(15.0)	(9.8)	-	-	(10.9)	(17.2)	(25.0)
Local authorities		4.0	4.7	4.9	3.9	5.7	4.8
Internal resources ^{/3}		2.4	2.5	2.8	2.6	4.4	3.7
Borrowing		1.6	2.2	2.1	1.3	1.3	1.1
		<u>29.5</u>					
State bodies ^{/4}		29.0	30.6	47.7	59.9	68.9	63.4
Internal resources		19.8	19.2	29.7	28.9	29.8	33.5
Borrowing		9.2	11.4	18.0	31.0	39.1	29.9
<u>Total Sources</u>	<u>137.4</u>	<u>137.9</u>	<u>145.1</u>	<u>207.2</u>	<u>221.8</u>	<u>263.5</u>	<u>255.2</u>

^{/1} Fiscal Year beginning April 1.

^{/2} Including payments to Road Fund.

^{/3} Current revenues, including grants, less current expenditure.

^{/4} Electricity Supply Board, Aer Lingus, Shannon Free Airport Development Co., CIE, Irish Shipping, et. al.

^{/5} Preliminary

^{/6} Budget estimate.

^{/7} Comparable breakdown not available.

^{/8} Including sinking funds and small savings and prize bonds. Breakdown comparable with previous years is not available.

^{/9} Included in other internal resources.

Sources: Budgets, 1966 to 1971.

Table 5.5 Local Government, Receipts and Expenditures on National Accounts Basis

(in millions of pounds)

	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>
Receipts:					
Rates (Property Tax)	30.5	33.5	34.4	39.3	45.1
Taxes on Expenditure	1.6	1.6	1.8	2.1	2.3
Gross Rental Income	7.0	7.6	8.5	9.4	10.6
Miscellaneous Receipts	10.8	12.4	14.1	15.3	19.1
Grants from Central Government	46.3	50.2	57.7	65.0	74.7
For Current Expenditure	(37.2)	(41.1)	(48.3)	(54.3)	(63.6)
For Capital Expenditure	(9.1)	(9.1)	(9.4)	(10.7)	(11.1)
Loans from Central Government	20.4	22.7	26.5	30.5	34.0
Other Borrowing	3.0	-	-	-	2.6
<u>Total Receipts:</u>	<u>119.7</u>	<u>128.1</u>	<u>143.0</u>	<u>161.6</u>	<u>188.4</u>
Expenditure:					
General Government Services	6.1	6.8	7.9	8.2	11.3
Education	7.7	6.8	8.7	10.1	12.0
Health	31.2	35.5	38.4	43.0	50.9
Social Security and Welfare	4.0	4.5	5.1	5.6	6.5
Housing	23.5	25.2	30.4	35.1	37.8
Transport and Communication	20.1	20.9	21.4	24.0	27.7
Other Services	12.0	11.9	12.7	15.3	18.9
Public Debt Interest and Repayments	15.1	16.4	18.5	20.5	23.3
<u>Total Expenditure:</u>	<u>119.7</u>	<u>128.1</u>	<u>143.0</u>	<u>161.6</u>	<u>188.4</u>

Columns may not add to totals due to rounding

Source: National Income and Expenditure, 1969

Table 5.6 Central Government, Revenue and Expenditures on National Accounts Basis

(in millions of pounds)

	<u>1960</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>
Current Revenue						
Direct Taxes on Households	21.4	42.4	51.4	62.2	68.8	78
Direct Taxes on Corporations	9.1	21.8	22.0	19.8	24.8	30
Indirect Taxes	81.5	136.2	155.2	173.1	195.4	238
Income from Property and Entrepreneurship	11.2	16.9	18.3	19.6	22.8	24
Net Surplus of Government Enterprises	(2.1)	(4.9)	(5.7)	(7.0)	(7.7)	(8)
Other	(9.1)	(12.0)	(12.6)	(12.6)	(15.1)	(16)
Current Transfers	6.2	9.4	10.8	12.4	14.2	17
Total Current Revenue:	129.4	226.7	257.7	287.1	326.0	387
Current Expenditure						
Expenditure on Goods and Services	44.8	75.2	77.4	81.6	93.1	105
Subsidies	16.3	32.0	35.8	45.1	51.0	60
Interest on the Public Debt	16.5	29.6	33.6	39.5	45.0	54
Internal Debt	(14.4)	(26.8)	(29.8)	(35.3)	(40.6)	(49)
External Debt	(2.1)	(2.8)	(3.8)	(4.2)	(4.4)	(5)
Current Transfers	52.1	85.4	94.6	105.9	121.4	147
To Other Public Authorities	(25.7)	(48.3)	(54.7)	(61.6)	(68.5)	(80)
To Households and Non-profit Institutions	(26.2)	(36.9)	(39.7)	(44.1)	(52.7)	(67)
Of which: Education	(4.2)	(8.8)	(9.9)	(11.2)	(15.4)	(20)
To rest of World	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	-
Total Current Expenditure:	129.7	222.2	241.4	272.1	310.5	366
Net Current Saving of Central Government	-0.3	4.5	16.3	15.0	15.5	21
Depreciation	2.0	3.7	4.1	4.6	5.3	6
Gross Saving of Central Government	1.7	8.2	20.4	19.6	20.8	27
Capital Expenditure						
Gross Physical Capital Formation	7.8	17.5	16.1	16.8	19.0	25
Capital Transfers to Other Sectors	10.1	21.7	23.4	29.0	35.1	45
To Public Authorities	(5.1)	(8.8)	(8.4)	(8.8)	(10.1)	(11)
To Public and Private Corporations	(5.0)	(12.9)	(15.0)	(20.2)	(25.0)	(34)
Net Lending	18.0	29.3	26.3	28.5	34.7	55
To Public Authorities	(5.0)	(17.3)	(19.5)	(23.0)	(26.6)	(30)
To Public and Private Corporations	(13.0)	(12.0)	(6.8)	(5.5)	(8.1)	(25)
Total Capital Expenditure:	35.9	68.5	65.8	74.3	88.8	125
Financing of Capital Expenditure						
Gross Saving of Central Government	1.7	8.2	20.4	19.6	20.8	27
Capital Transfers from other Sectors	3.2	4.7	5.1	6.0	7.6	8
Net Borrowing	31.0	55.6	40.3	48.7	60.4	90
Internal	(31.0)	(40.7)	(30.5)	(48.7)	(60.4)	(79)
External	(-)	(14.9)	(9.8)	-	-	(11)
Total	35.9	68.5	65.8	74.3	88.8	125

Source: O.E.C.D. Questionnaire.

Table 5.7 General Government, Revenues and Expenditures on National Accounts Basis

(in millions of pounds)

	<u>1960</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>
Current Revenue						
Direct taxes on households	28.4	58.6	70.9	85.8	98.1	112
Taxes on income	(21.4)	(42.4)	(51.4)	(62.3)	(68.8)	(78)
Contributions to social security	(7.0)	(16.2)	(19.5)	(23.5)	(29.3)	(34)
Direct taxes on corporations	9.1	21.8	22.0	19.8	24.8	30
Indirect taxes	105.3	168.3	190.3	209.3	236.7	285
Income from property and entrepreneurship	15.0	21.6	23.4	25.3	29.2	32
Net surplus of government enterprises	(5.8)	(9.6)	(10.8)	(12.6)	(14.1)	(15)
Other	(9.2)	(12.0)	(12.6)	(12.7)	(15.1)	(17)
Total Current Revenue	<u>157.8</u>	<u>270.3</u>	<u>306.6</u>	<u>340.2</u>	<u>388.8</u>	<u>459</u>
Current Expenditure						
Expenditure on goods and services						
Defense	(8.6)	(13.6)	(12.3)	(13.5)	(15.0)	(17)
Civil	(69.3)	(115.6)	(123.4)	(131.5)	(149.9)	(175)
of which: Health	n.a.	(29.9)	(33.0)	(35.8)	(40.6)	(48)
Education	n.a.	(25.3)	(26.4)	(29.2)	(33.9)	(38)
Interest on the public debt	18.3	31.8	35.9	41.8	46.7	56
Internal	(16.2)	(29.0)	(32.1)	(37.6)	(42.3)	(51)
External	(2.1)	(2.8)	(3.8)	(4.2)	(4.4)	(5)
Subsidies	21.1	38.7	43.0	53.0	59.8	70
Current transfers	39.8	67.0	76.0	83.1	98.4	121
To households and non-profit institutions	(39.6)	(66.8)	(75.8)	(82.9)	(98.2)	(121)
of which: Education	(4.7)	(9.6)	(10.9)	(12.3)	(16.7)	(21)
To rest of world	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Total Current Expenditure	<u>157.1</u>	<u>266.7</u>	<u>290.6</u>	<u>322.9</u>	<u>369.8</u>	<u>439</u>
Net saving of general government	0.7	3.6	16.0	17.3	19.0	20
Depreciation	5.5	8.4	9.2	10.3	11.6	13
Gross Saving of General Government	<u>6.2</u>	<u>12.0</u>	<u>25.2</u>	<u>27.6</u>	<u>30.6</u>	<u>33</u>
Capital Expenditure						
Gross physical capital formation	18.1	43.8	42.4	48.4	54.1	63
Capital transfers to other sectors	5.8	14.2	16.7	22.3	27.1	36
Net lending	15.9	17.0	11.7	10.8	15.2	33
Total Capital Expenditures	<u>39.8</u>	<u>75.0</u>	<u>70.8</u>	<u>81.5</u>	<u>96.4</u>	<u>132</u>
Financing of capital expenditure						
Gross saving of general government	6.2	12.0	25.2	27.6	30.6	33
Capital transfers from other sectors	3.9	6.3	7.4	9.0	11.3	11
Net borrowing	29.7	56.7	38.2	44.9	54.5	88
of which: External Borrowing ^{/1}	-	(14.9)	(9.8)	-	-	(11)
Total	<u>39.8</u>	<u>75.0</u>	<u>70.8</u>	<u>81.5</u>	<u>96.4</u>	<u>132</u>

^{/1} Central Government Only.

Source: OECD Questionnaire.

Table 5.8 General Government, Subsidies and Capital Grant on National Accounts Basis

(in millions of pounds)

	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>
Agriculture	<u>29.1</u>	<u>33.4</u>	<u>44.9</u>	<u>50.8</u>	<u>59.5</u>
Central Government					
Subsidies	24.4	28.1	38.6	44.1	52.0
Capital Grants	4.5	5.1	6.1	6.5	7.2
Local Government					
Subsidies	.2	.2	.2	.2	.3
Housing	<u>11.8</u>	<u>12.2</u>	<u>13.9</u>	<u>14.9</u>	<u>15.8</u>
Central Government					
Subsidies	2.4	2.0	2.4	2.5	2.7
Capital Transfers	1.5	1.5	1.7	1.7	1.6
Local Government					
Subsidies	6.5	7.0	7.7	8.6	9.4
Capital Transfers	1.4	1.7	2.1	2.1	2.1
Mining, Manufacturing, and Construction	<u>7.1</u>	<u>8.0</u>	<u>8.0</u>	<u>10.0</u>	<u>13.8</u>
Central Government					
Subsidies	2.8	2.8	1.3	1.0	1.1
Capital Grants to Enterprises	4.3	5.2	6.7	9.0	12.7
Transportation and Communication	<u>2.4</u>	<u>2.8</u>	<u>2.8</u>	<u>3.2</u>	<u>5.3</u>
Central Government					
Subsidies	2.4	2.8	2.8	3.2	3.1
Capital Grants to Enterprises	-	-	-	-	2.2
Other Economic Services	<u>.6</u>	<u>.8</u>	<u>1.1</u>	<u>1.4</u>	<u>3.6</u>
Central Government					
Subsidies	-	-	-	-	1.4
Capital Grants to Enterprises	.6	.8	1.1	1.4	2.2
Total Subsidies and Capital Grants to Enterprises	<u>51.0</u>	<u>57.2</u>	<u>70.7</u>	<u>80.3</u>	<u>87.0</u>

Source: National Income and Expenditure, 1969

Table 6.1 Money Supply and Factors Affecting it
(in millions of pounds)

	<u>1960</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	June ^{1/} <u>1971</u>	
Money Supply								
Currency in circulation	74.0	109.6	116.1	124.4	131.1	137.5	156.9	
Demand Deposits	129.0	188.6	198.6	216.5	233.0	249.0	297.9	
<u>Total Money</u>	<u>203.0</u>	<u>298.2</u>	<u>314.7</u>	<u>340.9</u>	<u>364.1</u>	<u>386.5</u>	<u>454.8</u>	
Time Deposits (Quasi-money)	209.8	273.6	305.2	352.4	428.7	484.4	559.4	
<u>Total Money plus Time Deposits</u>	<u>412.8</u>	<u>571.8</u>	<u>619.9</u>	<u>693.3</u>	<u>792.8</u>	<u>870.9</u>	<u>1014.2</u>	
Factors affecting the Money Supply								
Claims on Private Sector	208.4	309.2	325.0	349.3	413.2	446.3	549.4	
Claims on Public Sector (net)	-8.5	62.8	70.4	74.3	119.1	154.6	196.0	
Foreign Assets (net)	219.2	235.6	261.2	310.2	301.6	307.0	333.4	
Unclassified Items (net)	-6.3	-35.7	-36.7	-40.5	-41.3	-37.1	-64.6	
<u>Total</u>	<u>412.8</u>	<u>571.9</u>	<u>619.9</u>	<u>693.3</u>	<u>792.6</u>	<u>870.8</u>	<u>1014.2</u>	
Changes in:	<u>1961-65</u>		<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	June <u>1971</u>	<u>1966-71</u>
Money plus Time Deposits	159.0		48.1	73.4	99.5	78.1	143.3	442.4
Claims on Private Sector	100.8		15.8	24.3	63.9	33.1	103.1	240.2
Claims on Public Sector	71.3		7.6	3.9	44.8	35.5	41.4	133.2
Foreign Assets (net)	16.4		25.6	49.0	-8.6	5.4	26.4	97.8
Unclassified Items (net)	-29.4		-1.0	-3.8	-0.8	4.2	-27.5	-28.9
<u>Total</u>	<u>159.1</u>		<u>48.0</u>	<u>73.4</u>	<u>99.3</u>	<u>78.2</u>	<u>143.4</u>	<u>442.3</u>
Percent Changes in:	<u>Average Annual Rate 1961-65</u>		<u>1966</u>	<u>Annual Rate of Change</u>			<u>1970</u> ^{2/}	<u>Average Annual Rate 1966-70</u>
Money Supply	8.0%		5.5%	<u>1967</u>	<u>1968</u>	<u>1969</u>	11.5%	7.6%
Time Deposits	5.5		11.5	8.3%	6.8%	6.2%	10.0	14.3
Money Supply plus Time Deposits	6.7		8.4	15.5	21.7	13.0	10.7	11.0
				11.8	14.4	9.9		

^{1/} Because of the Bank dispute, no figures are available for 1970.

^{2/} Annual rate computed on the assumption that the Money Supply and Time Deposits grew at the same annual rate in 1970 as they grew at during the 18 month period from December 1969 to June 1971.

Source: I.M.F. International Financial Statistics.

Table 6.2 Domestic Credit: Advances of Associated Banks by Type of Borrower

(in millions of pounds)

	1965 (Apr)	1966 (Apr)	1967 (Apr)	1968 (Feb)	1969 (Feb)	1970 (Feb)	1971 ^{4/} (May)
Agriculture	47.8	46.6	48.4	48.8	57.7	62.1	76.6
Dairy Producers	5.7	7.4	7.7	9.5	13.5	11.4	14.0
Mining and Manufacturing ^{1/}	46.2	42.9	45.8	60.0	72.5	81.3	87.4
Mining, Quarrying, and Turf	n.a.	n.a.	n.a.	1.6	1.6	1.3	3.1
Food, Drink, and Tobacco	n.a.	n.a.	n.a.	24.2	29.3	31.3	30.7
Engineering and Metals	n.a.	n.a.	n.a.	8.2	10.3	13.4	13.2
Textiles, Leather, and Clothing	n.a.	n.a.	n.a.	9.2	11.8	14.5	15.3
Paper and Printing	n.a.	n.a.	n.a.	4.2	5.4	4.6	5.3
Other Manufacturing	n.a.	n.a.	n.a.	12.6	14.4	16.2	19.8
Building and Construction	8.4	9.2	8.3	9.7	12.8	14.6	19.8
Services							
Transportation, Communications, Power	4.2	3.5	2.9	4.5	6.5	8.9	11.0
Wholesale Distribution	23.9	24.0	25.0	27.4	33.7	38.7	32.4
Retail Distribution	32.3	30.8	32.5	32.6	37.6	38.5	52.2
Tourism	n.a.	n.a.	n.a.	12.2	15.4	17.3	18.1
Professional, Scientific, & Miscellaneous	28.0 ^{2/}	29.1 ^{2/}	32.4 ^{2/}	24.1	26.7	30.6	36.0
Financial Institutions	11.5	8.4	9.3	16.6	17.4	14.8	22.6
Government and Non-Profit Institutions							
Schools, Hospitals, Churches, Charities	21.1	22.8	24.7	27.1	28.7	29.3	30.6
Local Government	12.3	10.4	9.9	13.0	11.4	12.2	13.8
Central Government	21.6	41.0	34.4	51.8	47.4	66.9	87.4
Personal	41.8 ^{3/}	38.6 ^{3/}	43.2 ^{3/}	38.6	51.7	59.7	81.9
Unclassified	5.1	4.5	5.1	1.7	2.6	3.0	9.7
<u>Total Advances:</u>	310.1	319.1	329.6	377.6	435.9	489.3	593.3

^{1/} The Central Bank changed the system and dates of reporting in 1968. Consequently some figures are not available for earlier years.

^{2/} Including Tourism but excluding Professional Services.

^{3/} Including Professional Services.

^{4/} Because of the bank dispute, figures are not available for Feb. 1971.

Source: Central Bank Bulletins

Table 6.3 The National Debt
(in millions of pounds)

	<u>1956</u>	<u>1961</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>
National Debt Outstanding on March 31	309	451	715	771	823	914	1009	1106
of which: External Debt	n.a.	n.a.	53	61	52	55	70	90
Debt Service for Year ending March 31	17	28	49	57	64	76	89	101

Composition of the National Debt on March 31, 1971

<u>Internal Debt</u>	<u>Interest Rates</u>	<u>Amount</u>	
Final Maturity before 1975	3% to 9 3/4%	499.0	
Final Maturity between 1976 and 1980	4 1/2% to 9 3/4%	74.3	
Final Maturity between 1981 and 1985	5% to 9 3/4%	70.6	
Final Maturity between 1986 and 1990	5 3/4% to 9 3/4%	90.3	
Final Maturity between 1991 and 1995	3 1/2% to 9 1/4%	163.6	
Final Maturity 2005	3% to 9 3/4%	29.8	
Final Maturity 2020	n.a.	88.6	
<u>Total Internal Debt</u>		<u>1,016.3</u>	
<u>External Debt</u>	<u>Final Maturity</u>		
Sterling Bank Loan	1976	7%	3.0
Sterling Bank Loan	1979	8 3/8%	4.0
Sterling/Deutsche Mark Bonds	1981	7%	5.8
Dollar Loan from U.S.	1983	2 1/2%	27.4
Ireland 7 1/2% Stock	1983	7 1/2%	5.0
Deutsche Mark Bearer Bonds	1984	7 1/2%	10.9
Dollar Bonds	1985	9%	5.6
Deutsche Mark Bearer Bonds	1985	8 1/2%	11.1
Other	1989	7 1/8% to 9 3/8%	16.6
<u>Total External Debt</u>			<u>89.5</u>

Source: Central Bank

Table 7.1 Value and Volume of Agricultural Output

I. <u>Agricultural Output</u>							
	<u>1960</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u> ^{1/}
	(millions of pounds)						
Value Added in Agriculture, Current Prices	136.5	172.1	165.8	178.6	202.6	209	n.a.
Value Added in Agriculture, Constant (1958) Prices	140.7	141.4	141.5	144.5	153.0	149	n.a.
Value (Including Livestock Changes and Turf) of Gross Agricultural Output	193.1	252.5	248.9	266.1	303.9	318.9	342.9
Net Agricultural Output ^{2/}	160.8	198.6	195.1	208.8	237.2	245.6	261.6
Index Numbers of Volume ^{3/}							
	Base 1953 = 100						
Gross Agricultural Output	109.8	124.0	123.7	127.7	136.6	136.7	140.0
Net Agricultural Output	106.5	108.4	108.8	111.5	117.7	115.0	115.5
Crops	114.5	98.9	99.7	114.5	138.4	137.0	142.4
Livestock and Livestock Products	111.1	134.4	133.9	135.5	140.8	141.5	145.3
Physical Indicators							
Cattle and Calves (millions)	1.12 ^{4/}	.99	1.17	1.47	1.31	1.26	1.27
Milk (millions of gallons)	421 ^{4/}	524	546	601	649	654	643
II. <u>Composition of Gross Agricultural Output, Current Prices</u>							
	<u>Average</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u> ^{1/}
	<u>1960-61</u>	(millions of pounds)					
Dairy Products	43.0	57.6	62.7	72.1	78.1	78.3	80.0
Cattle	61.0	64.1	69.1	88.7	94.2	97.1	107.3
Pigs	(	31.2	29.6	27.6	31.8	38.8	40.8
Sheep and Lambs	(	51.5	12.0	12.1	11.7	12.9	13.7
Other Livestock and Livestock Products	(	22.4	23.2	21.2	22.6	22.8	23.1
Grains	19.0	15.8	16.9	20.6	27.0	27.0	27.6
Vegetables	14.8	18.1	16.8	17.7	18.1	20.1	21.6
Fruit	1.0	1.2	1.4	1.5	1.6	1.7	1.7
Turf	5.7	5.0	5.0	4.8	5.0	4.8	4.5
Other Crops	3.8	4.8	5.8	6.2	7.8	8.2	9.7
Gross Output	199.8	252.5	248.9	266.1	303.9	318.9	342.9
Value of Certain Farm Inputs ^{5/}	34.7	53.8	53.8	57.4	66.7	73.3	81.3
Net Output	165.1	198.6	195.1	208.7	237.2	245.6	261.6

1/ Preliminary 2/ Gross Output less Inputs of Feeding Stuffs, Fertilizers, and Seeds 3/ 1969 and 1970 Index Numbers are compiled on Base 1968 = 100. For purpose of comparison these Index Numbers have been linked to the Base 1953 = 100 4/ 1960-61 Average 5/ Feeding Stuffs, Fertilizers, and Seeds

Sources: O.E.C.D. Questionnaire; Statistical Bulletin, June 1971; Statistical Abstract; Review of 1970 and Outlook for 1971.

Table 7.2 Size of Agricultural Holdings, 1965

	All Ireland	Connacht
Total Number of Holdings (Thousands)	283.5	84.3
Distribution by size	As Percent of Total Number of Holdings	
0 - 15 Acres	24.0	23.1
15 - 30 Acres	24.2	35.3
30 - 50 Acres	21.6	24.9
50 -100 Acres	19.5	13.1
100 Acres or more	10.7	3.6
Total Area of Holdings (Thousands of Acres)	14,040	3,003
Distribution by size	As Percent of Total Area of Holdings ^{1/}	
0 - 15 Acres	3.7	5.7
15 - 30 Acres	11.0	22.3
30 - 50 Acres	17.4	28.0
50 -100 Acres	29.5	27.5
100 Acres or more	38.4	16.5

^{1/} These calculations were made from a more detailed breakdown by size. In making the calculations, it was assumed that the average size of the holdings in each group was equal to the average of the boundaries of the group. For farms over 300 acres in size, an average size of 400 was assumed.

Source: Statistical Abstract, 1968

Table 7.3 State Expenditure on Agriculture^{1/}

(in millions of pounds)

	<u>1960</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u> ^{2/}	<u>1971</u> ^{3/}
Price Supports	4.0	13.9	15.9	30.0	30.3	36.0	36.7	35.8
Dairy Products	(2.3)	(10.7)	(13.8)	(19.3)	(25.4)	(30.8)	(30.5)	(30.0)
Other Products	(1.7)	(3.2)	(2.1)	(6.7)	(4.9)	(5.2)	(6.2)	(5.8)
Production Incentives paid to Producer	-	2.9	2.3	1.7	1.6	3.8	6.4	7.3
Beef Cattle Grants						(1.9)	(4.8)	(5.3)
Other		(2.9)	(2.3)	(1.7)	(1.6)	(1.9)	(1.6)	(2.0)
Payments to Reduce Production Costs	9.2	17.9	19.3	22.6	24.9	27.2	28.9	33.2
Lime and Fertilizer Subsidies	(2.6)	(4.4)	(4.9)	(5.9)	(6.8)	(7.1)	(6.9)	(7.1)
Relief of Rates	(5.7)	(12.5)	(13.3)	(15.6)	(17.0)	(18.9)	(20.7)	(24.8)
Reduction of Land Annuities	(0.9)	(1.0)	(1.1)	(1.1)	(1.1)	(1.1)	(1.3)	(1.3)
Long Term Development Aid	6.4	12.2	9.9	11.0	12.1	13.2	12.5	11.9
Land Reclamation and Drainage Capital for Agricultural Credit Corporation		(3.8)	(3.9)	(4.7)	(5.0)	(5.1)	(5.3)	(5.1)
Grants for Farm Buildings and Equipment		(3.1)	(1.2)	(.9)	(1.5)	(1.0)	-	-
Other		(2.5)	(2.6)	(2.6)	(2.8)	(3.1)	(3.1)	(3.1)
		(2.8)	(2.2)	(2.8)	(2.8)	(4.0)	(4.1)	(3.7)
Disease Eradication and Livestock Improvement	5.2	2.2	2.2	2.5	2.8	3.0	4.1	3.9
Education, Research, and Advisory Services	1.6	3.8	3.9	4.2	4.7	5.6	6.5	7.6
of which: Education		(.8)	(.9)	(1.0)	(1.3)	(1.5)	(1.8)	(2.5)
Research		(1.6)	(1.6)	(1.8)	(1.9)	(2.3)	(2.9)	(3.0)
Administrative Costs	-	0.6	0.6	0.8	0.8	0.9	1.1	1.2
<u>Total Expenditure</u>	<u>26.4</u>	<u>53.5</u>	<u>54.8</u>	<u>68.6</u>	<u>77.2</u>	<u>89.5</u>	<u>95.8</u>	<u>100.5</u>
of which: Capital Expenditure	12.3	18.9	16.8	18.2	20.6	22.2	23.1	21.8
Current Expenditure	14.1	34.6	38.0	50.4	56.6	67.3	72.7	78.7

1/ Fiscal Year beginning April 1 2/ Preliminary 3/ Budget Estimate

Sources: Budgets for 1961, 1969, and 1971.

Table 7.4 Projections of Agricultural Output and Income

	<u>1970</u>		<u>1978</u>		
	<u>('000)</u>	<u>£ million</u>	<u>('000)</u>	<u>1970 prices (£m)</u>	<u>1970/71 EEC prices (£m)</u>
Horses (No.)	16	3.4	15	5	5
Cattle (No.)	1,449	119.3	1,900	162	256
Milk (000 gals.)	656	80.0	1,050	127	180
Sheep & Wool (No.)	1,452	15.1	1,800	19	29
Pigs (No.)	2,175	42.0	2,400	47	52
Poultry, Eggs, etc.	-	18.1	-	18	17
Wheat (Tons)	362	11.5	300	10	11
Barley (Tons)	590	15.1	900	24	28
Oats (Tons)	44	1.1	40	1	1
Sugar Beet (Tons)	966	8.2	1,250	11	10
Potatoes (Tons)	463	11.2	400	10	8
Horticulture (Value)	-	12.8	-	10	10
Other (mainly turf)	-	5.2	-	2	2
<hr/>					
Gross Output (including stocks)		342.9	-	446	609
Farm materials used		81.4	-	115	134
Other net expenses		81	-	120	120
Family Farm Income		181	-	211	355
Gross Domestic Product of Agriculture		223	-	260	404
<hr/>					

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Increase in volume of Gross Agricultural Output	30%
Increase in Family Farm Income (1970/71 EEC Prices)	96%
Average annual increase in Volume of Agricultural Output	3%
Average annual increase in Real Gross Agricultural Product	2%

Source: Department of Finance. These projections were provided in February 1972.

Table 8.1 Index Numbers of Industrial Production

Industrial Group	<u>1955</u>	<u>1960</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u> ^{2/}	<u>1970</u> ^{2/}	<u>Number Employed</u> <u>1970</u> (thousands)
	Base 1953 = 100								
Food	90	96	121	129	141	146	151	156	43.1
Drink and Tobacco	103	103	113	112	114	124	126	136	10.8
Textiles	114	160	211	218	240	278	309	344	25.5
Clothing and Footwear	99	111	147	148	154	160	177	174	24.0
Wood, Furniture, Brushes and Brooms	108	98	143	141	143	153	163	174	8.2
Paper and Printing	121	146	174	179	196	213	232	236	16.5
Chemicals and Chemical Products	116	162	254	297	331	381	434	430	8.0
Structural Clay Products, Glass and Cement	121	134	246	253	284	318	340	307	8.7
Metal and Engineering ^{1/}	130	161	257	261	268	302	329	331	38.6
Other Manufacturing Industries	111	185	314	324	377	430	466	511	13.6
Total Manufacturing Industries	106	124	170	175	189	208	223	230	197.2
Mining and Quarrying	132	159	217	302	365	449	492	491	10.7
Total Transportable Goods	108	126	172	180	196	218	234	241	207.7

^{1/} Including transport equipment

^{2/} Preliminary

Source: Review of 1970 and Outlook for 1971

Table 8.2 Gross Industrial Output by Industry
(in millions of pounds at current prices)

Industry Group	<u>1960</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u> ^{1/}	<u>1970</u> ^{1/}
Food	161.5	229.7	246.6	285.2	313.0	335.9	359.1
Drink and Tobacco	58.9	78.8	81.4	88.3	97.6	111.8	123.2
Textiles	39.1	55.6	57.7	65.3	74.3	80.9	87.9
Clothing and Footwear	24.9	35.1	36.4	39.3	43.3	49.2	55.7
Wood and Furniture	9.1	15.9	16.0	17.6	20.2	23.0	25.1
Paper and Printing	24.6	34.2	35.4	39.3	45.8	53.2	61.2
Chemicals	18.0	31.2	36.5	44.1	51.6	57.3	60.7
Structural Clay and Cement	10.3	21.3	22.5	25.6	29.7	32.8	37.1
Metals and Engineering	57.4	105.4	113.0	119.5	142.2	158.8	173.4
Other Manufactures	30.3	50.4	49.1	62.1	70.5	81.4	94.3
Total Gross Output of Manufac- turing Industries	<u>434.0</u>	<u>657.6</u>	<u>694.6</u>	<u>786.3</u>	<u>888.1</u>	<u>984.3</u>	<u>1071.9</u>
Mining and Turf	9.1	13.7	18.8	23.8	33.1	42.8	45.0
Total Gross Output of Transportable Goods Industries	<u>443.1</u>	<u>671.3</u>	<u>713.4</u>	<u>810.1</u>	<u>921.2</u>	<u>1027.1</u>	<u>1116.9</u>

^{1/} Estimated

Source: Review of 1970 and Outlook for 1971.

Table 8.3 Industrial Employment by Industry

Industry Group	<u>1960</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>
	(thousands)						
Food	34.9	39.1	39.4	40.2	41.3	42.7	43.3
Drink and Tobacco	9.8	10.3	10.3	10.3	10.4	10.6	10.8
Textiles	20.5	22.0	21.9	23.0	24.0	25.6	25.3
Clothing and Footwear	21.4	22.3	22.1	22.3	22.5	23.6	23.7
Wood and Furniture	6.8	7.9	7.7	7.7	7.8	8.2	8.4
Paper and Printing	14.4	14.2	14.9	15.2	15.5	16.0	16.5
Chemicals	5.4	6.0	6.8	7.0	7.3	7.8	7.8
Structural Clay and Cement	5.6	7.9	8.2	8.0	8.4	9.3	8.9
Metals and Engineering	24.1	32.5	33.0	33.0	34.8	37.2	38.3
Other Manufactures	7.8	10.6	10.6	10.8	11.6	12.2	13.6
Total Employment in Manufacturing Industry	<u>150.7</u>	<u>172.8</u>	<u>174.9</u>	<u>177.3</u>	<u>183.8</u>	<u>193.2</u>	<u>196.7</u>
Mining and Turf	9.3	9.9	10.0	9.9	10.3	10.6	10.7
Total Employment in Transportable Goods Industries	<u>160.0</u>	<u>182.7</u>	<u>184.9</u>	<u>187.2</u>	<u>194.1</u>	<u>203.8</u>	<u>207.4</u>

Source: Review of 1970 and Outlook for 1971.

Table 8.4 Electricity Generation and Sales^{1/}

	<u>1960</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>
Kilowatt hours generated			(millions)				
Hydro	921	940	851	797	770	594	705
Peat (sod)	422	312	332	353	494	543	504
Peat (milled)	276	635	673	806	1,271	1,377	1,412
Coal (domestic)	95	83	77	77	64	92	82
Oil	448	1,568	1,912	2,209	2,146	2,636	3,214
<u>Total Generated</u>	<u>2,162</u>	<u>3,538</u>	<u>3,845</u>	<u>4,241</u>	<u>4,745</u>	<u>5,242</u>	<u>5,917</u>
Sales of kilowatt hours							
Domestic	794	1,325	1,452	1,581	1,791	1,964	2,207
Commercial	458	716	777	842	918	1,034	1,083
Industrial	612	912	1,009	1,147	1,303	1,414	1,573
<u>Total Sales</u>	<u>1,864</u>	<u>2,953</u>	<u>3,238</u>	<u>3,570</u>	<u>4,012</u>	<u>4,412</u>	<u>4,863</u>

Kilowatt hours generated	<u>1960</u>	As percent of total		Average Annual Growth Rate	
		<u>1965</u>	<u>1970</u>	<u>1961-65</u>	<u>1966-70</u>
Hydro	42.6%	26.6%	11.9%	0.4%	-5.6%
Peat (sod)	19.5	8.8	8.5	-5.8	10.1
Peat (milled)	12.8	18.0	23.9	18.1	17.3
Coal (domestic)	4.4	2.3	1.4	-2.7	-0.2
Oil	20.7	44.3	54.3	28.5	15.4
<u>Total Generated</u>	100.0	100.0	100.0	<u>10.3</u>	<u>10.8</u>
Sales of kilowatt hours					
Domestic	42.6	44.9	45.4	10.8	10.7
Commercial	24.6	24.2	22.3	9.3	8.6
Industrial	32.8	30.9	32.3	8.3	11.5
<u>Total Sales</u>	100.0	100.0	100.0	<u>9.6</u>	<u>10.5</u>

^{1/} Fiscal year beginning April 1

Sources: Statistical Abstract and Electricity Supply Board Annual Report.

Table 8.5 TourismI. Number of Visitors, Nights Spent, and Average Length of Stay

A. Number of Visitors	<u>1960</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>
	(thousands)						
Cross Channel from U.K.							
Purpose of Visit: Tourist	n.a.	n.a.	532	546	635	653	562
Visit Relatives	n.a.	n.a.	325	329	338	332	346
Business	n.a.	n.a.	102	128	117	134	145
Other ^{1/}	n.a.	n.a.	45	50	39	44	50
Total Cross Channel	784	1,010	1,004	1,053	1,129	1,163	1,103
Cross Border from Northern Ireland							
Purpose of Visit: Tourist	n.a.	n.a.	12,426	11,539	11,773	10,390	9,515
Visit Relatives	n.a.	n.a.	1,242	1,224	1,245	1,102	936
Business	n.a.	n.a.	1,747	2,191	2,231	1,965	2,019
Other ^{1/}	n.a.	n.a.	60	768	763	679	813
Total Cross Border	3,778	14,775	15,475	15,722	16,012	14,136	13,283
Direct from Countries other than U.K.	50	84	100	120	132	185	191
<u>Total Number of Visitors</u>	<u>4,612</u>	<u>15,869</u>	<u>16,579</u>	<u>16,895</u>	<u>17,273</u>	<u>15,484</u>	<u>14,577</u>
 B. Number of Visitors Making Day Trips from Northern Ireland	 3,244	 14,136	 14,883	 15,083	 15,356	 13,536	 12,753
 C. Total Number of Visitors Excluding those Making Day Trips from Northern Ireland	 1,368	 1,703	 1,696	 1,812	 1,917	 1,948	 1,824

^{1/} Including not stated.

Table 8.5 Tourism (Cont.)II. Estimated Expenditure of Visitors to Ireland

	<u>1960</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>
Expenditure of Visitors	(millions of pounds)						
Cross Channel from U.K.							
Purpose of Visit: Tourist	9.9	16.8	16.3	17.0	20.2	22.3	19.0
Visit Relatives	8.6	9.7	9.2	9.9	9.5	11.2	11.6
Business	2.1	2.7	3.0	3.5	4.0	3.8	4.5
Other ^{1/}	1.2	1.3	1.8	1.7	1.3	1.6	2.3
Total	21.8	30.5	30.3	32.1	35.0	38.9	37.4
Cross Border from Northern Ireland							
Purpose of Visit: Tourist	7.1	25.7	23.2	21.8	24.2	20.8	19.7
Visit Relatives	2.2	2.6	2.9	3.6	3.4	3.2	2.9
Business	1.6	1.0	1.2	1.3	1.2	1.0	1.3
Other ^{1/}	0.2	0.2	0.2	0.9	0.7	0.5	0.8
Total	11.1	29.5	27.5	27.6	29.5	25.5	24.7
Direct from Countries other than U.K.	6.8	7.7	7.3	9.2	11.2	13.7	15.3
Total Expenditure	<u>39.7</u>	<u>67.7</u>	<u>65.1</u>	<u>68.9</u>	<u>75.7</u>	<u>78.1</u>	<u>77.4</u>
Expenditure of Cross Border Visitors Making Day Trips	2.2	15.5	14.4	13.2	13.7	10.3	10.0
Total Expenditure Excluding that of Cross Border Visitors Making Day Trips	<u>37.5</u>	<u>52.2</u>	<u>50.7</u>	<u>55.7</u>	<u>62.0</u>	<u>67.8</u>	<u>67.4</u>

^{1/} Including not stated

Table 8.5 Tourism (Cont.)III. Overnight Accomodations

	<u>1960</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	
Bedrooms available in:								
			(thousands)					
Hotels	15.1	17.4	18.2	18.8	19.3	21.7	23.4	
Guest Houses	2.3	3.2	3.5	3.9	4.3	4.5	4.5	
<u>Total</u>	17.4	20.6	21.7	22.7	23.6	26.2	27.9	
Net Increase in Bedrooms Available								
Hotels	-	0.5	0.8	0.6	0.5	2.4	1.7	
Guest Houses	-	0.2	0.3	0.4	0.4	0.2	0.0	
<u>Total</u>	-	0.7	1.1	1.0	0.9	2.6	1.7	
Investment ^{2/} in Hotels	n.a.	3.2	3.7	3.1	5.8	5.4	12.5	
			(millions of pounds)					
Percent ^{3/} of Hotel Beds Occupied	n.a.	48%	46%	48%	49%	44%	n.a.	
Average Increase in Hotel Charges	n.a.	6%	4%	6%	9.5%	7.2%	n.a.	

^{2/} Public and Private

^{3/} Based on the number of beds available in hotels that were open. Many hotels close for part of the year.

Sources: Statistical Bulletins; Statistical Abstracts; O.E.C.D., Tourism in O.E.C.D. Member Countries; and Irish Tourist Board Annual Report, 1970/71.

Table 8.6 EducationI. Enrollments and Number of Teachers

	1960/61	Enrollment		Number of Teachers		
		1964/65 (thousands)	1967/68	1960/61	1964/65	1967/68
Primary	503.2	506.0	509.0	14,530	14,469	14,737
General Secondary	76.8	93.0	118.8	5,282	6,477	8,165
Vocational	93.9	106.2	150.1	3,221	4,215	5,519
Teacher Training	1.0	1.1	1.2	n.a.	n.a.	n.a.
University	10.9	14.7	18.1	839	1,121	1,370

II. Public Expenditure on Education^{1/}

	1965	1966	1967	1968	1969
Current Expenditure					
	(millions of pounds)				
Local Government	5.5	5.7	6.5	8.0	9.8
Central Government	28.9	31.0	34.2	41.7	48.7
<u>Total</u>	<u>34.4</u>	<u>36.7</u>	<u>40.7</u>	<u>49.7</u>	<u>58.5</u>
Capital Expenditure					
Local Government	2.3	1.1	2.2	2.1	2.2
Central Government	4.5	4.5	6.9	10.1	12.9
<u>Total</u>	<u>6.8</u>	<u>5.6</u>	<u>9.1</u>	<u>12.2</u>	<u>15.1</u>
<u>Total Public Expenditure on Education</u>	<u>41.2</u>	<u>42.3</u>	<u>49.8</u>	<u>61.9</u>	<u>73.6</u>
	(percent)				
Expenditure on Education as Percent of GNP	4.0%	3.9%	4.3%	4.7%	5.0%
Expenditure on Education as Percent of Total Expenditure	11.3%	10.9%	11.3%	11.9%	12.1%

^{1/} National Accounts Basis, Fiscal Year beginning April 1.

Table 8.6 Education (Cont.)

III. Population Classified by Age and Educational Attainment, 1966
(thousands)

	Total Number In Age Group	Number Still in School	Number Whose Full Time Education Has Ceased	Highest Level of Educational Institution Attended					
				Prim.	Sec.	Voc.	Sec. and Voc.	Univ.	Not Stated
Males									
15 - 19	133.3	43.4	89.9	49.5	13.0	19.1	3.6	.3	4.6
20 - 24	94.7	8.2	86.5	40.5	18.7	15.2	5.6	3.5	3.0
25 - 29	75.0	1.2	73.8	37.1	13.8	10.3	4.6	5.7	2.3
30 - 54	399.2	.3	398.9	262.2	58.3	26.4	15.5	23.6	13.2
55 - 64	137.4	-	137.4	105.8	15.0	3.3	2.6	5.6	4.9
65 and over	149.8	-	149.8	124.5	10.9	1.9	1.3	4.8	6.6
All Ages	1,017.9	73.7	944.2	625.7	129.9	76.6	33.1	43.4	35.5
Females									
15 - 19	126.0	45.2	80.8	40.0	16.3	14.4	6.2	.1	3.8
20 - 24	90.6	3.6	87.0	32.5	23.8	12.6	11.8	3.2	3.2
25 - 29	74.3	.3	74.1	30.7	18.5	9.3	8.6	4.3	2.6
30 - 54	396.5	.1	396.4	231.7	80.7	31.9	23.7	14.3	14.4
55 - 64	133.4	-	133.4	92.7	22.4	5.1	4.1	3.9	5.5
65 and over	173.2	-	173.2	132.6	21.8	3.0	2.1	4.0	9.9
All Ages	1,021.0	69.4	951.6	565.3	183.5	76.6	56.2	29.8	40.3

Sources: Statistical Abstract and National Income and Expenditure.

Table 8.7 TransportationI. Public Investment in Transportation^{1/}

	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u> ^{2/}	<u>1971</u> ^{3/}
	(millions of pounds)						
Central and Local Government							
Ports, Harbors, and Airports	1.5	1.8	2.5	3.6	5.7	6.6	6.9
Roads ^{4/}	9.4	8.4	9.2	10.0	10.6	11.5	11.8
State Corporations							
Irish Shipping, Ltd.	0.1	1.1	0.9	2.0	3.4	1.4	5.0
British and Irish Steam Packet Co. Ltd.	0.1	0.2	0.4	4.3	0.6	1.2	1.4
Aer Lingus/Aer Linte	6.7	4.8	5.4	8.8	21.0	20.0	9.4
Irish Transport System (C.I.E.)	3.4	3.3	3.8	3.5	3.8	4.2	4.5
<u>Total</u>	20.0	19.1	22.1	31.8	45.6	44.8	38.5

II. Railroad Statistics^{1/}

	<u>1960</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>
Length of Roadway (miles)	1,755	1,458	1,455	1,334	1,334	1,333	
Passengers carried (millions)	11.1	8.98	9.29	8.89	9.55	9.96	10.22
Passenger miles (millions)	352.1	336.6	345.7	339.2	354.4	360	362
Freight-Tonnage (millions of tons)	2.69	2.50	2.74	3.00	3.27		
Minerals-including fuels	(.64)	(.43)	(.48)	(.51)	(.69)	} 3.05	3.14
General Merchandise	(1.87)	(1.97)	(2.13)	(2.35)	(2.46)		
Livestock	(.18)	(.10)	(.13)	(.14)	(.12)		
Freight-Ton miles (millions)	222.9	240.0	265.3	308.3	332.1		
Minerals-including fuels	(41.3)	(32.4)	(35.1)	(37.7)	(48.2)	} 298	296
General Merchandise	(165.6)	(197.8)	(216.9)	(256.0)	(271.1)		
Livestock	(16.0)	(9.8)	(13.3)	(14.6)	(12.8)		
Railway Operating Loss (millions)	£ .48	£ 1.83	£ 1.86	£ 2.18	£ 2.14	£ 3.1	£ 4.7

Table 8.7 Transportation (Cont.)III. Roadways and Motor Vehicles

	<u>1960</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>
Miles of Roadway (thousands)	51.5	52.7	53.0	53.4	53.7
Main Trunk and Link Roads	(9.9)	(9.9)	(9.9)	(9.9)	(9.9)
Urban Roads ^{2/}	(1.1)	(1.2)	(1.2)	(1.3)	(1.3)
County Roads	(40.5)	(41.6)	(41.9)	(42.2)	(42.5)
Expenditure on Roads ^{1/} (millions of pounds)	10.8	15.3	16.1	16.3	n.a.
Main Trunk and Link Roads	(4.5)	(8.1)	(8.8)	(8.8)	n.a.
Urban Roads ^{2/}	(.6)	(1.0)	(1.1)	(1.2)	n.a.
County Roads	(5.7)	(6.2)	(6.2)	(6.3)	n.a.
Motor Vehicles Registered (thousands)					
Private Cars	169.7	281.4	296.4	314.4	336.6
Motor Cycles	41.5	52.0	47.1	45.7	44.0
Buses and Taxis	5.5	5.0	5.2	5.9	6.2
Commercial Goods Carriers	43.5	48.3	46.9	46.0	46.0
Agricultural Haulage	37.0	53.0	55.5	55.9	58.9
Other Vehicles		7.4	7.7	8.2	8.5
<u>Total</u>	<u>302.8</u>	<u>447.1</u>	<u>458.8</u>	<u>476.1</u>	<u>500.2</u>
Omnibus Service					
Passengers Carried (millions)	299.3	294.4	286.0	297.7	295.7
Vehicle Miles Run (millions)	49.0	49.0	49.1	51.2	51.7
Vehicles Licensed (thousands)	1.44	1.61	1.64	1.78	1.92
Road Freight Service					
Vehicles Licensed (number)	1,969	2,227	2,198	2,205	2,281
Rail Companies	(879)	(1,065)	(1,020)	(1,038)	(1,064)
Other Large Operators	(89)	(103)	(117)	(113)	(124)
Small Operators	(1,001)	(1,059)	(1,052)	(1,054)	(1,093)
Vehicle Miles Run (millions)	36.2	45.7	46.8	48.0	50.4
Rail Companies	(15.2)	(18.6)	(18.4)	(18.3)	(19.0)
Other Large Operators	(1.7)	(2.7)	(3.1)	(3.4)	(3.6)
Small Operators	(19.3)	(24.4)	(25.3)	(26.3)	(27.7)

^{1/} Fiscal Year beginning April 1. ^{2/} Preliminary ^{3/} Budget estimate ^{4/} Payments to the Road Fund for construction and major repair of roads. ^{5/} Including County Borough.

Sources: Budgets, Statistical Abstract, and C.I.E.

Table 9.1 Prices, Wages, and ProductivityI. Prices

	Average Annual Rate of Change		Annual Rate of Change					Average Annual Rate of Change	
	<u>1956-60</u>	<u>1961-65</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1966-70</u>	<u>1969-70</u>
Price Index									
Consumer	2.6%	4.2%	3.0%	3.2%	4.7%	7.4%	8.2%	5.3%	7.8%
Wholesale	2.1	3.1	2.0	2.6	6.0	7.2	5.3	4.6	6.3
Agricultural	-0.7	3.4	-1.5	2.1	10.2	2.8	4.8	3.6	3.8
Import	0.5	1.2	0	-0.6	8.3	4.1	6.8	3.6	5.4
Export	0.1	1.6	1.8	0	7.3	6.1	7.0	4.4	6.6
GNP Deflator	2.8%	4.6%	3.8%	3.2%	4.6%	7.8%	9.7%	5.8%	8.8%

II. Wages and Earnings

Average Industrial Hourly Earnings	4.9%	7.7%	11.4%	5.4%	9.2%	13.6%	17.3%	11.3%	15.5%
Average Hours Worked per Week	0.1	-3.3	-0.5	-0.9	0.7	-1.4	-0.8	-0.6	-1.2
Average Industrial Weekly Earnings	5.0	7.0	10.9	4.4	9.9	12.1	16.3%	10.7	14.1
Minimum Agricultural Weekly Earnings	3.9	7.9	12.3	0	11.2	15.2	26.1	12.6	20.6

III. Productivity and Unit Labor Costs

	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1966-70</u>	<u>1969-70</u>
	Annual Rate of Change							Average	Annual
								Rate of Change	Rate of Change
Productivity									
Ireland	5.0%	4.8%	2.7%	6.2%	6.3%	2.4%	3.7%	4.3%	3.1%
U.K.	6.0	3.8	3.6	3.5	5.9	3.2	0.8	3.4	2.0
Earnings per Hour									
Ireland	12.6	3.7	9.2	7.7	8.5	13.0	16.1	10.9	14.7
U.K.	7.0	8.4	7.8	4.0	7.7	7.9	11.3	7.7	9.5
Wage Costs per Unit of Output									
Ireland	6.8	-0.9	6.3	1.5	2.0	10.3	11.9	6.3	11.4
U.K.	1.0	5.0	4.7	-0.9	1.8	5.4	9.3	4.0	7.3
Consumer Price Index									
Ireland	7.0	4.7	2.7	3.5	5.0	7.2	8.2	5.3	7.7
U.K.	3.0	4.9	3.7	2.7	5.2	5.0	6.3	4.6	5.6

Source: Review of 1970 and Outlook for 1971; Statistical Abstract, 1969; Statistical Bulletin, June 1971.