REGIONAL DEVELOPMENT IN SCOTLAND AND ONTARIO

(A Comparative Analysis of the Pursuit of
Regional Development in Multi-Tiered Administrative Structures)

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VOLUME I

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List of Main Abbreviations

Central Scotland	Scottish Development Department, Central Scotland, A Programme for Development and Growth, Cmnd. 2188, Edinburgh, HMSO, 1964.
EFTA, I.E.	European Free Trade Association, Regional Policy in EFTA, Industrial Estates, Geneva, 1970.
S.C.S.A.,Minutes,397	Select Committee on Scottish Affairs, Minutes of Evidence, H.C.397 (1968-69), London, HMSO, 1969.
S.C.S.A.,Report, 267	Select Committee on Scottish Affairs, Report, H.C.267 (1969-70), London, HMSO, 1970.
SDD, 196_	Scottish Development Department, Report for 196_, Cmnd._____,Edinburgh,HMSO,196_.
TCR Plan	Government of Ontario, Design for Development: The Toronto-Centred Region, Toronto, Queen's Printer, 1970.
TCR Status Report	Government of Ontario, Design for Development: A Status Report on the Toronto-Centred Region, Toronto, Queen's Printer, 1971.
Wheatley Report	Royal Commission on Local Government in Scotland, 1966-69, Report, Cmnd.4150, Edinburgh, HMSO, 1969.

SUMMARY

While regional economic development increasingly has
become a goal of public policy in many nations, the admin-
istrative implications of adopting a regional development
programme have received very little attention. Because
the responsibilities relating to regional development
normally are divided among several departments and among
tiers of government, the pursuit of a regional development
programme imposes heavy demands on both intra-governmental
and inter-governmental relations. This study focuses on
the nature of and responses to these demands through an
examination of the experiences of Scotland and Ontario,
both of which are considered intermediate tiers in multi-
tiered administrative structures. A major specific object-
ive of the study is to discern guidelines for Ontario from
the relatively greater Scottish experience in pursuing
regional development.

Scotland

The Scottish research examines the Scottish Office,
especially the roles of the Scottish Development Department
and the Regional Development Division, the Scottish Economic
Planning Board and Council and the Scottish Office-local
authority joint working parties. The adequacy of these

and other administrative arrangements is assessed through
an analysis of efforts to implement the 1963 growth area
programme, the Plan for the Central Borders and the out-
county estate programme of Glasgow overspill.

The general conclusion is that Scotland's adminis-
trative machinery worked well during the period under
study. The Scottish Office's efforts to implement regional
development programmes have been hampered not so much by
the action or inaction of Whitehall departments as by the
difficulty of obtaining coordination among local author-
ities and between local authorities and the Scottish Office.
Some improvement in this situation is expected with the
impending reform of local government in Scotland. The
benefits of an increased devolution of powers from Whitehall
are much less certain, with Ontario comparisons indicating
that even in a federal state the national government activ-
ities significantly affect the intermediate tier's regional
development efforts.

Ontario

The Ontario research begins with an examination of
the main administrative machinery established by the Province
as part of its regional development programme, the Cabinet
Committee on Economic and Regional Development (and its
predecessors), the Advisory Committee on Regional Develop-
ment, the Regional Development Councils and the Regional

Advisory Boards. With the elaboration of regional plans in Ontario, notably the Toronto-Centred Region Plan, the adequacy of existing administrative arrangements is becoming questionable. The extent to which relevant responsibilities in Ontario are divided among numerous departments and agencies has meant increasing reliance on inter-departmental committees and task forces. Moreover, the implementation stage which the Province has yet to experience is expected to impose increased demands, especially in terms of municipal involvement and cooperation.

The possible lessons for Ontario of the Scottish experience relate to both administrative machinery and policy. Scotland's use of the Scottish Special Housing Association to reinforce desired development patterns through its house-building activities could be emulated by the Ontario Government not only with the Ontario Housing Corporation's housing programmes, but also with the provision of water and sewerage facilities by the Ontario Water Resources Commission and the provision of financial incentives for industry by the Ontario Development Corporation. Joint working parties of provincial and local officials could also be utilized by the Ontario Government, especially as a means of more effectively involving municipalities in the elaboration and implementation of regional plans. On the policy front, Ontario should bear in mind that Britain's

steering of industry efforts have involved both the positive attraction of industry through industrial incentives and the negative limitation of expansion in congested areas of the country. It is suggested that the negative control factor may be necessary to achieve the Provincial Government's goals in the Toronto-Centred Region.

General

More generally, the research indicates that the strength of the intermediate tier does not significantly alter the magnitude of the demands placed on administrative machinery. The stronger the intermediate tier, the more the emphasis shifts from inter-governmental to intra-governmental coordination and to this extent achieving the necessary coordination may be easier. However, partly offsetting this is the likelihood that the overall integration of regional development efforts within a national strategy of regional development will be inhibited by the existence of a strong intermediate tier. Irrespective of the strength of the intermediate tier, local governments play a significant role, especially in the implementation of regional development plans. Finally, the extensive responsibilities involved in regional development suggest that the concept can be administered most effectively by

vesting overall responsibility in a central body such as the Treasury or the Prime Minister's Office, with implementation carried out through the appropriate line departments and local governments.

INTRODUCTION

This study arose out of the writer's continuing
interest in regionalism, previously expressed in an
examination of regional administration in the Province
of Ontario.[1] That research noted Ontario's nascent concern
for regional development but, with the relatively recent
entry into this field of Ontario and Canada, it was felt
that a follow-up study of the administration of regional
development might usefully draw upon the extensive British
experience.

Several factors suggested Scotland as the most
appropriate focus for such a study. Many of the major
British policy and administrative initiatives of the
1960s were anticipated in Scotland. For example, a
growth area policy was first adopted in Scotland (and in
North East England) after receiving an endorsement in a
report published by the influential Scottish Council
(Development and Industry)[2]. The economic planning boards

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[1] C. R. Tindal, "Regional Administration: A Study of
Ontario Government Department Field Offices", Canadian Public
Administration, Summer 1968, Vol. XI, No. 2, pp. 186-250.

[2] Scottish Council (Development and Industry), Report of
a Committee of Inquiry into the Scottish Economy, under the
chairmanship of Sir John Toothill, Edinburgh, 1961.

set up in England, Wales and Scotland at the end of 1964
closely resembled, and appeared to be consciously modeled
upon, an inter-departmental committee known as the Scottish
Development Group, established two years earlier. Moreover,
Scotland's identity as a nation (manifested in such features
as a separate educational system and a distinctive system of
local government), her prior experience with the Scottish
Development Group and the solid backing which the Scottish
Economic Planning Board received from the Scottish Office,[3]
all indicated that if the new regional machinery were to
be successful anywhere in Britain, it was likely to be so
in Scotland. Finally, because of the extent to which
responsibilities had been devolved to the Scottish Office,
it was felt that Scotland's experiences, more than those
of any other area of Britain, could usefully be related
to Ontario's pursuit of regional development within a federal
structure.

Preliminary research appeared to strengthen the case
for a full comparative study of the Scottish and Ontario
experiences. In particular, it became clear that a number
of Scottish developments were being paralleled in Ontario

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[3] As will be seen, this kind of backing was not avail-
able to the other regional boards except to the extent that
the Welsh Office provided a similar service for the regional
machinery in Wales.

or were going to be experienced by Ontario in the early 1970s.
The Ontario Government's first major statement on regional
development, in 1966, established regional machinery (advisory
boards of field civil servants and regional development coun-
cils representing local interests) similar in many respects
to the Scottish Economic Planning Board and Council. In
addition, the Government has declared its intention of desig-
nating a number of growth areas within the Province. More-
over, with the reform of local government underway in Ontario
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as in Scotland, it should be possible to compare the con-
tribution of reorganized local government structures to the
implementation of regional development programmes in the
two jurisdictions.

Moreover, if one ignores their respective contributions
to their national economies, there are a number of similar-
ities in the economic conditions within Ontario and Scotland
and in the problems they face. For example, both have the
bulk of their population and industry concentrated in a fairly
narrow band of development (Oshawa through to Hamilton, and
Central Scotland) dominated by a major centre (Toronto and
Glasgow). The problems facing Ontario's poor and relatively

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However, while Scotland's local government system has
been examined by a Royal Commission (Royal Commission on Local
Government in Scotland, 1966-1969, Cmnd. 4150, Edinburgh,
H.M.S.O., 1969), the Ontario Government has been proceeding on
an area by area basis with Local Government Review Commissions.

remote farming areas and its northern extremities are not
unlike those of the crofting counties of Scotland's Highlands.
One can even compare the extreme north and north-west of
Ontario and the islands of Shetland and Orkney in terms of
their feelings of distance from, and neglect by, the centre
and their sporadic agitation for more self-government. While
these analogies should not be over-stated, they do suggest
that Scotland's experiences with, for example, the overspill
of population and the revival of depopulated areas may be of
considerable interest to Ontario.

The fact that Ontario and Scotland share common political
traditions also facilitates a comparative approach. Of parti-
cular relevance is the similarity in their local government
systems and the strong tradition of local self-government in
both jurisdictions. Because of the major role played by local
government in implementing regional development programmes,
this similarity is important.[5]

There is, of course, one fundamental difference between
Ontario and Scotland. While the former has a directly elected
government with a substantial range of powers guaranteed by
the constitution, the latter forms part of an essentially
unitary state. However, as indicated below, this difference
serves to add a further dimension to the comparative approach.

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[5] In contrast, consider the difficulties inherent in
comparing the experiences of Scotland and, for example, France,
with the tradition of centralization in the latter country.

Toward a Comparative Framework

While the concept of regional economic development has received increasing attention in most western nations, there have been few attempts to analyze the administrative implications of adopting a programme of regional development. This is surprising because the adoption of such a programme imposes heavy demands on the machinery of government, particularly in terms of both inter-governmental and intragovernmental relations. By its very nature the pursuit of a regional development programme embraces a wide range of responsibilities (for example, roads, housing, water and sewerage, schools and provision of financial incentives) which are normally divided between two or more tiers of government: the national and local tiers in unitary states and the national, intermediate (Provincial or State Governments) and local tiers in federal systems. In addition, within each tier these responsibilities are often further divided between numerous departments and agencies. Implementations of a regional development programme must therefore overcome both what might be termed spatial fragmentation (the division of responsibilities among tiers) and functional fragmentation (the division of responsibilities among executive bodies within each tier).

Complicating this task is the fact that government activity under a regional development programme is usually

focused on arbitrarily defined "regions" whose boundaries
are not coterminous with any existing tiers of government.
For example, the pursuit of regional development by an
intermediate tier government usually involves the division
of the intermediate area into a number of regions each of
which is larger than existing units of government at the
local tier. Therefore, the implementation of a regional
development programme not only requires the overcoming of
spatial and functional fragmentation but also calls for the
concentration of efforts at varying regional levels which
do not correspond with existing tiers of government.

The experiences of Scotland and Ontario in this context
can be usefully compared if Scotland is considered, because
of the extensive devolution of powers to the Scottish Office,
as an intermediate tier. On this assumption, both Scotland
and Ontario can be said to comprise the intermediate tier
in a three-tiered administrative system, the other two tiers
being the national (Whitehall, the Canadian Federal Government)
and the local (local authorities, municipalities). While
there is also a regional level in each of these systems, it
is not considered as a separate fourth tier because, as noted
above, the regional boundaries often vary with the particular
programme being implemented and no tier of government exists
at this level. With differences in degree which are examined

later in the study, both of these systems exhibit spatial
and functional fragmentation in terms of the responsibilities
relating to regional development. On this basis it is felt
that a valid comparison can be made of Scotland and Ontario's
experiences. By examining the administrative arrangements
for achieving inter-governmental and intra-governmental co-
ordination in Scotland and Ontario it is hoped to gain some
insight into the task of pursuing regional development in
multi-tiered administrative structures.

There are two specific objectives of the comparative
approach. Because of the Ontario Government's relatively
recent involvement in regional development, the primary
objective is to draw from the Scottish experience of the
1960s useful guidelines for the Ontario Government as it
pursues regional development programmes in the 1970s. The
second specific objective arises from the previously-noted
contrast between the autonomous, constitutional position of
the Ontario Legislature and the limited devolution of admini-
strative powers to the Scottish Office. Because of this
difference a comparison of Scotland and Ontario involves
what might be termed, respectively, a weak intermediate
tier and a strong intermediate tier. It ought to be possible
therefore, on the basis of the Ontario experience, to make
some assessment of whether greater devolution of powers

(that is, a stronger intermediate tier) would contribute to the more effective pursuit of regional development in Scotland. This aspect of the study should be of topical interest, given the present preoccupation with a possible stronger role for the Scottish Office, as evidenced, for example, in Reports by the Select Committee on Scottish Affairs, the (Crowther) Commission on the Constitution and the Scottish Constitutional Committee (Douglas-Home).

Organization of the Material

Because of the length and nature of the study it was decided to divide the material into three parts: the Scottish experience, the Ontario experience and the comparative analysis.

Part A is devoted to the Scottish experience and, with certain exceptions noted below, is confined to the period of the 1960s, with the June 1970 election and change in Government being adopted for most purposes as the cut-off point. The first two chapters describe the main policies and administrative machinery relating to regional develop- ment in Scotland, and, in particular, attempt to show the extent to which the Scottish Office is limited in pursuing regional development because of the extensive responsibilities exercised by both the national government and the Scottish local authorities.

The following three chapters then examine in some detail the experience of the Scottish Office in implementing regional development programmes. Particular attention is given to the implementation of the growth area policy adopted in 1963. Not only was this the most significant regional policy initiative of the 1960s, but it is the approach increasingly advocated by the Ontario and Canadian Governments as the basis of their regional development efforts in this decade. Moreover, for reasons that will be explained later, the implementation of this policy imposes particularly heavy demands on inter-governmental and intra-governmental coordination. These factors suggested a thorough examination of the administrative responses to adoption of the growth area policy. The experiences of the Scottish Office in promoting economic development in the Central Borders and in initiating an out-county estate programme to increase Glasgow overspill are also outlined in these chapters.

A concluding chapter (Six) attempts to assess the adequacy of administrative arrangements for the implementation of regional development in Scotland. Considerable emphasis is given to the important role of local authorities and the inappropriateness of their existing structure. Because of this, an epilogue to the chapter considers the implications for regional development of the impending reform of local

government in Scotland. In this one major breach of the June 1970 time limitation, the epilogue examines not only the Report of the Royal Commission on Local Government in Scotland but also the recent Government White Paper on the subject.[6]

Part B is concerned with Ontario and closely parallels the organization of the Scottish material. While the Provincial election of October 1971 is taken as the general cut-off point for the study, major changes up to the beginning of 1972 have been noted. If Scotland's prior experiences are to be used as guidelines for the Ontario Government it was felt desirable to have as complete a picture as possible of Ontario's emerging programme.

The first three chapters (Seven, Eight and Nine) describe the policies and administrative machinery relating to regional development in Ontario and examine the extent to which the Ontario Government's ability to pursue regional development is restricted by the powers exercised by the national and local tiers of government. The detailed case studies which characterize the Scottish material have not been possible in Ontario, simply because the Province has not yet had any

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[6] Scottish Development Department, Reform of Local Government in Scotland, Cmnd. 4583, Edinburgh, HMSO, 1971.

substantial experience in the implementation of regional development. However, the most ambitious and farthest advanced of the regional development efforts, the Toronto-Centred Region Plan, is examined in Chapter Ten. A concluding chapter then attempts to assess the likely adequacy of existing administrative arrangements, especially in the implementation phase which Ontario has yet to undertake. Of particular interest here, and paralleling the Scottish analysis, is the possible contribution of regional governments which are presently being introduced in Ontario. In addition, Scotland's experiences in implementing regional development programmes can be expected to provide useful guidelines for Ontario, although a discussion of this is reserved for the third section of the study, described below.

The comparative analysis attempted in Part C has, as indicated above, two main objectives. First, an effort is made to draw lessons from the Scottish experience which can guide the Ontario Government's pursuit of regional development in the 1970s. Second, Ontario's position as a strong intermediate tier provides a basis for considering the possible further devolution of powers to the Scottish Office. In addition, on the basis of the experiences of Scotland and Ontario, it is hoped to draw some general conclusions about the administrative implications of pursuing regional development in multi-tiered administrative systems.

PART A - SCOTLAND

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CHAPTER I

THE POLICY FRAMEWORK

To assess Scotland's regional development efforts in the 1960s requires at least a general understanding of the policy constraints within which such efforts had to be undertaken. The most significant of these policies are described in this chapter. While much of what follows focuses on the period since 1960 and the impact on Scotland of policy changes, a brief reference to earlier legislation is instructive in assessing the shifts in emphasis over time.[1]

Regional Development Policies Before 1960

The first major legislation concerned with regional imbalance took the form of the Special Areas (Development and Improvement) Acts of 1934, 1936 and 1937, passed to combat the economic problems of the depression of that decade. Commissioners were appointed for special areas (Central Scotland, South Wales, West Cumberland and the North East coast) with substantial funds for physical and social rehabilitation, and Government trading estates were established. With the very serious conditions of the time the emphasis was on relieving unemployment wherever it existed. The approach was clearly, and understandably, that of a "rescue operation".

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[1] The details of the various regional policies are well documented elsewhere, notably in Gavin McCrone, Regional Policy in Britain, University of Glasgow Social and Economic Studies, George Allen & Unwin Ltd., 1969.

In 1940 the Report of the Barlow Commission was
published.[2] The Commissioners were unanimous in condemning
the existing regional imbalance, although they disagreed
on what administrative machinery was necessary to resolve
the imbalance. In the Commission's view a far more positive
role for Government was required: control should be exercised
over new factory building, at least in London and the Home
Counties, dispersal from large urban concentrations was
desirable, and measures should be taken to anticipate
regional economic depression. A majority of the Commission
recommended (without success) the establishment of a National
Industrial Board to ensure the dispersal of industry
(essentially manufacturing industry) from the congested areas
and to achieve a better balance within the industrial structure
of each region. In contrast to the short term response to
localized needs which characterized regional efforts during
the depression years, the Barlow Report drew attention to
the need for long term planning which would permit the proper
distribution of industry.

Throughout the war years a rather crude national policy
on industrial location evolved from the need to allocate
scarce factory space for war production. This operation was
in the hands of the Factory and Storage Control of the Board

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[2]
Great Britain, Royal Commission on the Distribution of
Industrial Population, Report, Cmd. 6153, London, HMSO, 1940.

of Trade, and was concerned with relocating such war

production in special areas which not only had labour

reserves but were usually in places remote from aerial

bombardment.

The 1945 Distribution of Industry Act was little

more than a new special areas act. The place of the 1934

Commissioners was taken by the Board of Trade,[3] and the areas

were renamed Development Areas. Although the Barlow

Commission's recommendation that further industrial build-

ing in the Greater London area be restricted was not

implemented, some steps in this direction were taken through

the use of building licenses under emergency powers. The

Board of Trade, as the sponsoring department, let it be

known that firms would get immediate licenses for Development

Areas, but might otherwise have to wait indefinitely.[4]

A more direct method of control over industrial build-

ing was provided in the 1947 Town and Country Planning Act

(a parallel Act for Scotland was passed the same year)

which gave the Board of Trade the power to issue Industrial

Development Certificates, without which no factory, or

extension to an existing factory, of more than 5,000 square

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[3] The war-time Factory Control, which had acquired
considerable experience dealing with regions, became the
Board's Distribution of Industry Panel.

[4] J. W. Grove, Government & Industry in Britain, London,
Longmans, 1962, p.459.

feet could be built, and the Board had to be satisfied
that any proposed development could be "carried out
consistently with the proper distribution of industry".[5]
Unfortunately, no statutory definition of the proper
distribution of industry was provided to guide the allo-
cation of the Industrial Development Certificates.

A second Distribution of Industry Act in 1950
empowered the Treasury to make loans and grants towards
the cost of moving and resettling key workers and shifting
plant and equipment to new sites in the Development Areas,
but these powers were not used extensively. The main
emphasis throughout most of the 1950s continued to be on
the provision of physical facilities (estates and factories)
rather than on loans and grants.

The 1958 Development of Industry (Finance) Act
embodied the beginnings of a shift in the emphasis of
regional policy. By this time it was clear that in parts
of the scheduled Development Areas there was neither high
unemployment nor any strong likelihood of it.[6] However,
relatively high unemployment had begun to appear in a
number of other places, many of them quite small. In

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[5] European Free Trade Association, Regional Policy in
EFTA, Industrial Estates, Geneva, European Free Trade
Association, 1970, p.33. (Hereafter EFTA, Industrial
Estates).

[6] EFTA, Industrial Estates, p.33

response to this situation the 1958 legislation extended
the possibility of financial assistance to any undertakings
(including non-industrial undertakings) outside the
Development Areas "if the Board of Trade were satisfied
that the purpose for which the assistance was required was
one likely to reduce unemployment in any locality, in which,
in the opinion of the Board, a high rate of unemployment
existed and was likely to persist".[7] While the Development
Areas were not abolished until 1960 (under the Local
Employment Act of that year) it is clear that the 1958 Act
marked the beginning of a renewed emphasis on treating
localized pockets of high unemployment.

Regional Development Policies 1960 to 1970

The Local Employment Act consolidated the shift in the
emphasis of regional policy. In the words of a recent EFTA
study, "The Local Employment Act, 1960,... carried to its
logical conclusion the intention of the 1958 Act, namely
that assistance should be available on a uniform basis in
the areas of high unemployment where it was most needed".[8]
It abolished the old Development Areas and introduced the
concept of a Development District, to be designated by the
Board of Trade as any area where high and persistent unemploy-
ment (in practice 4% to 4.5%) existed. Increased Government

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[7] Ibid., p.34

[8] Ibid., p.34

resources, including financial assistance, were brought to
bear on these Development Districts which in 1961 comprised
only 12.5% of the population of Britain, compared to the
20% which had been encompassed by the Development Areas at
their demise.[9]

The 1960 Local Employment Act signified the abandonment
of the attempt at broad regional action implicit in the old
scheme of Development Areas. In essence it marked a shift
back to the rescue operations approach, although it tried
to achieve this on a more efficient, flexible basis. Thus,
it seemed that regional economic policies had turned full
circle by the beginning of the 1960s - from the early rescue
operations of the 1930s, through the proper distribution of
industry hopes of the 1940s and early 1950s, back to the
emphasis on limited rescue operations in the late 1950s,
culminating in the 1960 Local Employment Act.

Re-Assessment of Regional Policies

If the beginning of the 1960s saw the zenith of the
rescue operations approach it also brought an extensive re-
assessment of the Government's economic policies. At the
national level concern for the continuing poor performance
of the British economy led to such changes as the reorganization
of the Treasury, following the recommendations of the Plowden

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[9] McCrone, op. cit., p.124

Committee,[10] and the establishment of the National Economic

Development Council. Central to the re-assessment of

regional policies were strong criticisms of the 1960 Local

Employment Act.

Financial inducements under the Act were viewed as

inadequate, especially in times of recession. The fact that

the Board of Trade had discretion to create or disband

Development Districts depending on economic conditions also

brought criticisms. The percentage of the United Kingdom's

population covered by Development Districts fell from 12.5

in 1961 to 7.2 in 1962, then rose again to a peak of 16.8 in

1963.[11] Frequent changes in the coverage of legislation were

unsettling for business and made long term planning by public

authorities difficult. Moreover, because of a fairly rigid

adherence to 4.5% unemployment as the basis for designation,

a locality experiencing a reduction in unemployment could be

removed from the Development District list even though its

economic recovery had not been secured.

The most basic criticism of the 1960 Act was that it

was no more than a patching up relief operation, focusing

on local needs rather than economic viability or the long

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    Treasury, The Control of Public Expenditure, Cmnd.1432,
London, HMSO, 1961

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    McCrone, op. cit., p.124

term growth potential of areas. Many Development Districts
appeared to be non-viable even with Government assistance.
Often they had suffered from the decline of traditional
industry, and new industry was simply not attracted. Indeed,
there was some danger of the inducements provided in the Act
encouraging industries to set up in remote or inaccessible
areas which had not shared in general prosperity precisely
because they were not suitable for such development.[12] In
addition, areas in the less-favoured regions which were
outside the Development Districts felt adversely affected by
the Act. They complained that firms would expand in their
areas but not if forced to go to the narrow Development
Districts. Some local authorities even took the stance
that they hoped "things got bad enough" so that they could be
designated a Development District.

The fundamental weakness of the 1960 Local Employment
Act was the absence of a strategy for the proper distribution
of industry. Indeed the basic data and criteria for formulating
such a strategy were lacking. There appeared to be a failure
or unreadiness to recognize that certain areas of the country
were non-viable and that greater mobility of labour, within
regions at least, had to be encouraged. As McCrone has

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[12]
    This in spite of the fact that both the Special Area
Commissioners (established under 1930s legislation) and the
Barlow Commission had recognized that there were some
locations where it was almost impossible to create new
employment. McCrone, op. cit., p.125

written: [13]

> The faults in this policy arose, perhaps, from giving more emphasis to its social than its economic aspects, from being concerned with providing employment rather than stimulating economic growth. If priority is given to growth it becomes necessary to view the region as a whole rather than think simply in terms of unemployment blackspots. It will then be seen that the promotion of industrial growth will require some regrouping of population and that assistance, if given, must be sufficiently permanent to make planning possible."

Criticisms of regional policies also brought into question the effectiveness of the system of Industrial Development Certificates. It had become increasingly apparent that one weakness of the IDC system arose from the fact that it represented a negative control. In prosperous times, when businessmen are anxious to expand, rigorous use of Industrial Development Certificates is likely to divert some production to Development Areas. In a recession however, when conditions in the less favoured regions become particularly serious, businessmen are inclined to forsake investment entirely, especially if confronted with no choice but a Development Area. Thus the control tends to work least effectively when it is most needed. Another weakness was that at the beginning of the 1960s the IDC control affected only industrial expansion over 5,000 square

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[13]
Ibid., p.125

feet and therefore had no impact on the great influx of new office buildings to London, a major contributor to congestion in the South East and to continuing regional imbalance. The exemption of office buildings from Industrial Development Certificate control meant that 80% of all new employment created in London in the 1950s was outside the scope of this system. Finally, the Board of Trade was criticized for administering the Certificates in an inconsistent manner, with occasional periods of very vigorous application such as when the car firms were directed to the north and to Merseyside and more frequent periods of relative inaction.

The agitation for changes in regional economic policy was accompanied by a growing demand for greater emphasis on the goal of economic growth at the national level [14] - a reflection of the previously noted concern about the continuing poor performance of the British economy. Linking these two forces was an awakening recognition of the inter-dependence of regional development and the growth of the national economy. Any lingering notion that policies of

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[14] For example, P.E.P. published a comprehensive report on growth in the British economy, Planning for Growth, 1961, No.487. They adopted a strong "pro-economic growth" stance, and emphasized the importance of long term, indicative planning by such means as a conference with French planning officials in April 1961. Essentially the same point was made by those who charged that Government policies had been too concerned with adjusting short term imbalances; for example, J.C.R. Dow, Management of the British Economy 1945-1960, Cambridge, Cambridge University Press, 1964.

regional development were primarily a form of welfare for "backward regions" - a necessary price for political stability - met with increasing evidence of the fact that expansion in the regions and a re-adjustment of the balance between North and South were fundamental to the achievement of sustained economic expansion in the country as a whole. This viewpoint was reflected in a major National Economic Development Council document which argued that "a national policy of expansion would improve the regional picture; and, in turn, a successful regional development programme would make it easier to achieve a national growth programme."[15] Subsequently (September 1965) the Labour Government's National Plan[16] stated that the achievement of national objectives required an attack on regional unemployment, and called for a more even spread of employment to help avoid regional pockets of excess demand and thus inflationary pressures while elsewhere there were unused resources.

The Adoption of a Growth Area Policy

Among the many suggestions for a new emphasis in regional policies there was support for a broad approach which would be related to the problems and potential of much larger areas

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[15] National Economic Development Council, Conditions Favourable to Faster Growth, London, HMSO, 1963, p.29.

[16] Department of Economic Affairs, The National Plan, Cmnd. 2764, London, HMSO, 1965.

than the Development Districts. One of the earliest and
most articulate sources of this viewpoint was the 1961
Toothill Report on the Scottish Economy.[17] Criticizing the
1960 Local Employment Act's single minded preoccupation
with the alleviation of unemployment, the Toothill Report
warned that it would be unwise to prop up dying industries
to the neglect of potential growth centres. The Report
went on to recommend that "the build up of industrial
complexes and centres which offer prospects of becoming
zones for growth....should be one of the principal aims of
policy"[18]. Further support for this approach was found in
a National Economic Development Council publication which
noted that under the Local Employment Act of 1960 Development
Districts had been narrowly defined, and that "better results
might be secured for the slowly expanding regions as a whole
by identifying their natural growth points and seeking to
attract industry to them"[19]. Significantly, this concept
of growth points or growth areas was also attracting support
from influential bodies outside Government, notably the

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[17] Scottish Council (Development and Industry), Report
of a Committee of Inquiry into the Scottish Economy, under
the chairmanship of Sir John Toothill, Edinburgh, 1961.

[18] Ibid., p.154

[19] National Economic Development Council, op. cit., p.26

Federation of British Industries.[20]

In addition, there was a growing realization by Government that the existing regional policies had not been successful in strengthening the economies of the less-favoured regions - or even of stamping out localized pockets of unemployment which continued to appear - and that the continued failure to resolve the economic imbalance in the country was becoming increasingly a political issue. Although there were few discernible trends in the 1955 election, sizeable Conservative losses in Lancashire and Scotland in the General Election of 1959, together with strong Conservative support in the Midlands, gave the appearance of a regional voting pattern roughly corresponding to the degree of economic prosperity.[21]

All these factors appeared to come to a head in the winter of 1962-63. A combination of harsh weather conditions, a very marked upswing in regional unemployment,[22] by-election

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[20]
 As evidenced by their 1963 Report on The Regional Problem.

[21]
 "The Conservatives' success was most marked in the Midlands which provided 10 of their 28 gains and in the London area which supplied an additional 9. But for the first time in thirty years, two regions - Clydeside and South East Lancashire - swung decisively against the national trend; the Conservatives lost 4 Scottish seats and 1 in Oldham". D.E. Butler and R.Rose, The British General Election of 1959, London, MacMillan and Co., 1960, p.191

[22]
 Thus by 1963, while the United Kingdom unemployment rate was only 2.6%, Scotland, Northern England and Northern Ireland had 4.8%, 5% and 7.9% respectively. McCrone, op.cit.,p.154. Within each of these areas individual localities were experiencing much high unemployment rates.

defeats for the Government, and the inevitability of a

general election by 1964 all contributed to a new initiative

in regional development. The first policy change saw the

passage of a new Local Employment Act (1963) which attempted

to meet some of the criticisms of its predecessor. It

standardized the financial assistance available[23] and allowed

for flexibility by permitting applications for further assist-

ance to the Board of Trade Advisory Committee. In addition,

with this legislation the Government imposed a virtual ban

on new office building in the centre of London and strict

control over office developments for 40 miles around the city,

a policy later extended to an area around Birmingham.

Another policy change, of particular interest for this

study, took the form of White Papers on North East England

and Central Scotland[24] which gave official recognition to the

growth area concept.[25] In simplest terms, a growth area policy

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[23]
Grants of 10% of the cost of plant and equipment and 25% of the cost of factory buildings, the latter in consul- tation with the Board of Trade Advisory Committee. For an analysis of this legislation and other financial assistance see T. Wilson, "Finance for Regional Industrial Development", Three Banks Review, September 1967, No. 75.

[24]
Board of Trade, The North East, A Programme for Regional Development and Growth, Cmnd. 2206, London, HMSO, 1963 and Scottish Development Department, Central Scotland, A Programme for Development and Growth, Cmnd. 2188, Edinburgh, HMSO, 1964. (Hereafter Central Scotland).

[25]
The term growth area was used in a general sense, without apparent regard for the theoretical writings on this subject. See Appendix A.

involves the concentration of development effort on a limited
number of areas selected because of their considered potential
for relatively rapid and ultimately self-sustaining growth.
Particular emphasis is given to public investment in the
infrastructure of these areas. The essential feature of the
policy is its selectivity. It rejects the concept of spread-
ing development effort evenly over a whole region or country.
It equally rejects the concentration of resources on areas
of greatest social distress and economic difficulty, usually
measured in terms of unemployment.[26] By focusing on the
development of specific centres, a growth area policy attempts
to reorganize the pattern of settlement in such a way as to
produce long term, viable growth. It encourages the mobility
of population within a region - including the notion that
some communities will decline or stagnate - in order to
prevent continued loss of population from the region.

The adoption of a growth area policy indicated a
significant shift in the emphasis of regional development
policies. Substantial Government assistance, especially for
infrastructural development, was now to be provided for eight
growth areas in Central Scotland and a growth zone in North

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[26]
    This was the emphasis of the Development District
approach under the 1960 Local Employment Act.

East England.[27] In addition, these areas were to receive all the benefits then available for Development Districts regardless of the level of employment they might subsequently attain. Since a major portion of this study is concerned with Scotland's efforts to pursue a growth area policy, the origins of the Scottish growth areas and the effect of subsequent regional policies on the selective development of these areas is examined below.

The Origin of the Scottish Growth Areas

As previously indicated, high unemployment during the harsh winter of 1962-63 put increasing pressure on the Government and gave additional impetus to the search for a new, more effective regional strategy. In response the Government asked the Secretary of State for Scotland to study the question of applying the growth area concept in Scotland.[28] This task came under a small interdepartmental committee which became known as the Scottish Development Group.[29]

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[27]
Once again it should be noted that the terms were not defined in any precise way. See Appendix A.

[28]
One senior civil servant of this period expressed his belief that the impetus for a growth area policy might well have waned but for the pressure for change induced by the high unemployment.

[29]
The composition and significance of this body is described in Chapter Two.

Apparently the first stage in the selection of the growth

areas involved a study of those areas of Central Scotland

where physical development was not prohibited because of

topography, mineral subsidence or other specified factors.[30]

An analysis was then made to determine which areas had

exhibited substantial growth in population and employment

between 1951 and 1961. Other factors such as future trans-

portation plans, availability of good-sized level sites,

areas which could be rehabilitated and available labour

resources were also considered.

The Regional Development Division of the Scottish

Office described much the same process in a memorandum to

the Select Committee on Scottish Affairs.[31]

> 'These areas were selected after an examination
> which first eliminated those parts of Central Scotland
> where physical development was impracticable because
> of elevation, exposure, mineral workings or other
> reasons, and then went on to examine population and
> employment trends, the pattern of road communications,
> the effect of the Forth and Tay Road Bridges, avail-
> ability of level sites, areas of potential rehabilit-
> ation, labour resources, migration, the economics of
> transport, environmental services, and so on."

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[30]
The description of the selection of growth areas is
based partly on information contained in an unpublished
memorandum by Frank Walton, Department of Political Economy,
University of Glasgow, 1966.

[31]
Select Committee on Scottish Affairs, Minutes of
Evidence, H.C. 397 (1968-69), London, HMSO, 1969, p.2.
(Hereafter S.C.S.A. Minutes, 397).

An examination of the eight growth areas chosen
reveals considerable variation in their nature and potential.
Indeed the 1963 White Paper on Central Scotland itself drew
attention to the differences among growth areas by dividing
them into three categories:[32]

    a) the growing new towns which have capacity
       for further expansion, i.e. East Kilbride,
       Glenrothes, Cumbernauld and Livingston:

    b) growing urban areas where further industrial
       and housing development is possible on a
       considerable scale.... Irvine and the
       Grangemouth - Falkirk area:

    c) older urban industrial areas with sites and
       services available for further industrial
       growth, with a limited local potential within
       the area for housing and rehousing, but with
       a large population within the area or within
       daily travelling time. North Lanarkshire,
       Central Fife, the Lothians area (providing
       the hinterland of the new town of Livingston),
       and the Vale of Leven.

However, any attempt to estimate the rationale behind
the selection of these particular areas is handicapped not
only by the lack of information but also by the absence
of any clear explanation of what, in the Government's view,
constituted a growth area. Even the 1963 White Paper
went only so far as to hint at the merits of a growth area

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[32]
  Central Scotland, p.28

policy.[33]

> ... certain parts of the area have shown remarkable
> capacity for change and expansion. It is these
> districts... that point the way to what can be
> achieved in the future by integrated investment
> deliberated, concentrated and designed to promote
> faster growth....This modernization exercise will
> be based on major focal points - defined in this
> White Paper as growth areas. Experience has
> shown that in the circumstances of Central Scotland
> this is the best way to coordinate effort and spend-
> ing so that economic growth can take place on the
> right scale and with speed.

If it is assumed that the growth areas were selected

on the basis of their capacity for future self-sustaining

growth, then the new towns, which had already demonstrated

their growth potential, and Irvine[34] and Grangemouth/Falkirk,

which both had capacity for considerable industrial and

housing expansion, appeared the most logical choices. One

study of growth areas[35] argues that they were not selected

primarily as the most favourable sites for industrial growth.

Instead it sees the growth areas as essentially those areas

where a rapid increase in population is possible and desirable -

partly through a natural increase in population (as in

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[33]
Ibid., pp.6,7.

[34]
Which in 1963 had not yet been designated a new town.

[35]
G. C. Cameron and G. L. Reid, Scottish Economic Planning
and the Attraction of Industry, Occasional Paper #6, University
of Glasgow, Social and Economic Studies, Edinburgh, Oliver and
Boyd, 1966.

Grangemouth/Falkirk) but much more through the planned
redistribution of population from Glasgow overspill,
largely to the new towns.[36]

Neither of these interpretations appear to explain
the selection of North Lanarkshire, Vale of Leven or
Central Fife (that is, before it was combined with Glenrothes)
as growth areas. As the 1963 White Paper noted, "growth in
these areas will in a large measure depend upon substantial
investment in the clearance of derelict land and rehabil-
itation generally".[37] Since these areas exhibited neither
considerable potential for industrial growth nor a capacity
for substantial overspill how does one explain their selection?
A partial answer may be found in the fact that the committee
charged with choosing the growth areas (Scottish Development
Group) included representatives from Whitehall departments,
notably the Board of Trade. At that time, the Board's main
focus in Scotland was the network of Development Districts
established under the 1960 Local Employment Act,[38] within which

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[36] Ibid., pp.47-8

[37] Central Scotland, p.28

[38] The designation of growth areas had not altered the
Board of Trade's responsibilities with respect to Development
Districts. The only change was that growth areas were assured
of continued Development District Status even if their unemploy-
ment situation improved (i.e. fell below 4%).

it provided financial assistance to firms and where many of its advance factories were located. Not unnaturally, the Board of Trade was concerned that these areas, especially where a substantial pool of unemployed labour existed, should not be overlooked. It is likely, therefore, that the deliberations of the Scottish Development Group saw the Scottish Development Department suggesting as growth areas the new towns and other areas with substantial growth capacity and the Board of Trade proposing areas which encompassed existing Development Districts.[39]

To explain the adoption of Central Fife, North Lanarkshire and Vale of Leven as the work of the Board of Trade doubtless over-simplifies the case. If nothing else, these areas (especially the latter two) had one strong point which recommended them, even to the Scottish Office. Their potential for growth, however limited, could be utilized relatively quickly -- certainly much more so than areas such as Livingston, Irvine and Grangemouth/Falkirk where extensive public investment would be required before their potential (admittedly greater in the long run) could be realized. Thus the blending of a few older established areas with the other relatively virgin areas ensured that the growth program could get under way almost immediately.

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[39] Discussions with senior officials in the Scottish Office corroborated this general picture.

It is suggested that the selection of North Lanarkshire,
Central Fife and the Vale of Leven may be explained partly
as a response to the viewpoint of the Board of Trade and
partly as a means of balancing the programme with both
short term, limited capacity areas and areas of greater
long term potential.[40]   Whatever the exact nature of the
selection process, as 1963 drew to a close Scotland had
eight designated growth areas which were to serve as the
focal points for economic expansion. The assessment of
subsequent regional policies and programmes of both Westminster
and the Scottish Office gives particular attention to their
effect on this growth area approach.

Whither Growth Area Policy?

Less than a year after the introduction of the growth
area programme for Central Scotland the Conservative Govern-
ment was defeated by Labour who remained in power throughout
the 1960s. The new Government's first initiatives in the
economic field involved extensive administrative changes,[41]
and the preparation of a National Plan.[42]   The Plan viewed

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[40]
    Subsequently, these two types of growth area were
combined in the case of Greater Livingston and Central Fife,
with the new towns (Livingston and Glenrothes) and their
surrounding areas each constituting a single growth area.

[41]
    Many of these changes are described in Chapter Two.

[42]
    Department of Economic Affairs, The National Plan,
op. cit.

regional development as a positive, indeed essential, aspect of national economic planning, and not some sort of quasi-welfare rescue operation for high unemployment areas. It was envisaged that within the framework provided by this National Plan development plans would be prepared for the eight economic regions of England, and for Wales and Scotland. These in turn would be co-ordinated and integrated by the Government and would form the basis of regional development programmes.

Scotland's contribution to this exercise was "The Scottish Economy 1965 to 1970",[43] published at the beginning of 1966. Although this document referred to the same geographic areas as the 1963 White Paper on Central Scotland,[44] it did not use the term "growth area" in describing them. However, a close examination of this Scottish Plan (outlined later in the chapter) suggests that a less overt growth area approach may have continued.

The Labour Government's first major legislation on regional development was the June 1966 Industrial Development Act. It substantially modified the combination of grants and

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[43]
    Scottish Office, The Scottish Economy 1965 to 1970, a Plan for Expansion, Comnd.2864, Edinburgh, HMSO, 1966. (Hereafter The Scottish Economy 1965 to 1970).

[44]
    Except for the Vale of Leven which was not mentioned in the Scottish Plan.

accelerated depreciation provided for in the 1963 Local

Employment Act. The much-criticized Development Districts

were replaced with new and much larger Development Areas

which covered 40% of the land area of Britain and 20% of

the population.[45] While Development Districts had been

listed by the Board of Trade solely on the basis of unem-

ployment, the selection of Development Areas was to be

based on a consideration of all the circumstances,"including

the state of employment and unemployment, population changes,

migration and the objectives of regional policies".[46] However,

during parliamentary debate on the Industrial Development

Bill the President of the Board of Trade indicated that

unemployment would be the main criterion until the problem

of local unemployment in the country was solved.[47] Incentives

under the new legislation were almost entirely in the form of

investment grants which were to be 40% (45% until the end of

1968) as compared with grants of 20% (25% until the end of

1968) available outside the Development Areas. Discretionary

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[45] Whereas the Development Districts at their maximum had covered only 16.7% of the population. McCrone, op.cit. pp. 126-8.

[46] EFTA, Industrial Estates, p.39

[47] Ibid., p.39

Board of Trade Advisory Committee loans and grants remained
available for firms in the new Development Areas.

For Scotland the Industrial Development Act implied a
shift away from the growth area policy of 1963. While
arrangements under the new legislation were less complicated,
assistance became increasingly unrelated to performance,
[48]
actual or perspective. Thus, the new policy appeared to
give something approaching an unconditional subsidy to
industry in Development Areas- which in Scotland meant the
entire country except the Edinburgh, Leith and Portobello
employment exchanges. There was little overt indication
that a selective approach to Scottish economic development
prevailed under this legislation.

Subsequent regional initiatives should be considered
in the context of a faltering national economy. With con-
tinuing balance of payments difficulties leading to harsh
deflationary measures in the summer of 1966, the assumptions
and projections of economic growth in the National Plan
became increasingly unrealistic, and the Plan itself cor-
[49]
respondingly less relevant. The November 1967 devaluation

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[48]
    T. Wilson, "Finance for Regional Industrial Develop-
ment", Three Banks Review, September 1967, p.9

[49]
    Richard Bailey describes the National Plan as
"effectively strangled on the 20th July (1966) when the
Government introduced a number of severe deflationary measures
in the hope of ending the series of sterling crises."
Managing the British Economy, London, Hutchison, 1968, p.66

and accompanying deflationary policies signified the virtual
abandonment of the National Plan. Since the Plan had foreseen
regional development programmes being formulated and integrated
within an expanding national economy, the deepening economic
difficulties cast a pall over regional efforts. Relatively
non-selective, short term policies directed toward the
reduction of unemployment gained favour once more.

This is apparent in the Government's introduction of
a Regional Employment Premium in the Development Areas in
September 1967. Under this scheme the Government paid a
premium for every full time employee covered by the selective
employment tax.[50] On the assumption that the premium would
go primarily into reducing costs and prices, it was expected
to increase the competitiveness of existing industry and
thus generate economic growth. However, the new policy
carried the unconditional approach of the Industrial Develop-
ment Act even further. Under the latter, to obtain a capital
grant a firm must at least have invested in new fixed capital,
thus displaying some initiative. To obtain the new wage
subsidy no action was necessary. For Scotland, the blanket
subsidization of labour costs in manufacturing throughout
almost the entire country (as already noted, only the Edinburgh,

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[50]
Established as 30 shillings a week for every male
employee, 15 shillings for every woman and boy and 9 shillings
6 pence for every girl, the premium was to be paid for a seven
year period.

Leith and Portobello employment exchanges did not enjoy
Development Area Status) appeared to work against the
selective approach of the 1963 growth area policy.

The reversion to a relatively localized rescue
operations approach was particularly evident in the design-
ation of a number of Special Development Areas in November
1967. Areas so designated by the Board of Trade were eligible
for extra Government assistance for firms locating within
their boundaries.[51] As a response to the needs of the declining
coal industry this programme was focused on the problem of
increasing localized unemployment rather than the economic
viability or long term growth potential of the areas. The
Special Development Areas in Scotland encompassed a relative-
ly small amount of land and population[52] and it is perhaps
unfair to describe them as nothing more than the old,
discredited Development Districts "resurrected". The fact
remains, however, that the main criterion underlying their
selection was high unemployment and senior Scottish Office

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[51]
Including rent-free periods of up to five years in
advance factories, building grants of 35%, loans toward the
balance of building costs, and special "operational grants"
to help in the early years (the latter relating to employment
creation).

[52]
The Scottish areas were Leven in Fife, Shotts and
Lesmahagow in Lanarkshire and Girvan and Sanguhar in
Ayrshire.

personnel conceded that the Special Development Areas would

not have been chosen on the basis of their potential for

future self-sustaining growth.[53]

In the meantime the Government had come under increasing

pressure from "grey areas" which lacked the economic prosperity

of the South East and Midlands but had not been considered

sufficiently depressed to warrant Development Area status

with its attendant industrial incentives. These grey areas

not only felt that they had economic problems worthy of

Government assistance, but were also concerned that firms

which might have located within their boundaries were being

lured away by the Development Area incentives. The Government

responded by appointing a Committee (under the Chairmanship of

Sir Joseph Hunt) to examine the possibility of revised regional

policies to influence growth in the non-Development Areas.

Reporting in April 1969,[54] the Hunt Committee's main recommen-

dation was that areas such as the North West, Yorkshire and

Humberside, which had been excluded from Development Area

status, should be given Government assistance as Intermediate

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[53] For a similar assessment of these areas see McCrone,
op. cit., p.128.

[54] Secretary of State for Economic Affairs, The Intermediate
Areas, Cmnd. 3998, London; HMSO, 1969.

Areas. The Government followed up with the 1970 Local
Employment Act, but the definition of Intermediate Areas
suggested by the Committee was substantially reduced.[55]
Under this legislation assistance available in Intermediate
Areas included:

a) Grants at 25% (or 35%) of factory building costs
linked to the creation of new employment as at present
available under the Local Employment Acts in the Development
Areas;

b) Government-built factories on the same basis as in
the Development Areas;

c) The full range of Development Area training grants
and other training assistance, together with assistance for
the transfer of Key workers.

With the designation of Leith as an Intermediate Area
all of Scotland except Edinburgh qualified for special
Government assistance as a Development Area, Special Devel-
opment Area or Intermediate Area. Thus as the 1960s and
the period of Labour Government drew to a close both the
range of regional incentives and the geographic areas in
Scotland to which they applied had been considerably extended.

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[55] The Intermediate Areas designated by the Government
were North East Lancashire, the Yorkshire Coalfield, North
Humberside, part of the Notts/Derby Coalfield, South East
Wales, Plymouth and Leith in Scotland.

The growth area policy introduced by the Conservative Govern-
ment in 1963 appeared to have been gradually eroded by
subsequent regional policies, although it was never publicly
repudiated. However, a closer examination suggests that a
more qualified conclusion is in order.

The almost total avoidance of the term growth area
during the Labour period, particularly conspicuous in The
Scottish Economy 1965 to 1970, need not signify the complete
abandonment of growth area policy. Several senior officials
expressed the view that the 1963 White Paper on Central
Scotland's specific delineation of growth areas was unwise.
By focusing so clearly on areas that were to receive special
attention, this approach brought an inevitable outcry from
local authorities outside the "favoured" boundaries. This
factor, plus the association of growth areas with the previous
Conservative Administration (not least in the eyes of many of
the Labour-controlled councils in Scotland) may well have
inclined the Labour Government to avoid specifically designating
growth areas in the 1965 to 1970 Plan.

Moreover, while the 1963 White Paper had concentrated on
Central Scotland, the 1965 to 1970 Plan shifted the emphasis
to the other areas of the country. The rationale for this
new approach can be found to some extent in statements by
William Ross before he became Secretary of State for Scotland.
For example, in a Commons debate on Conservative regional

policy on December 3rd, 1963,[56] Ross charged that the effect
of the concentrated effort pledged by the Government (that is,
the programme of growth areas in Central Scotland) would be to
continue and exaggerate the depopulation of the Highlands and
Borders. What was needed, he claimed, was a plan for the whole
of Scotland, a plan that would relate to the proper needs of
Scotland. The change in emphasis in the 1965 to 1970 Plan
therefore seems quite consistent with the philosophy of the -
then Secretary of State.

However, even with the shift in emphasis it is possible
to detect something of a growth area approach in the Plan's
recommendations for the regions outside Central Scotland.
This was quite apparent with respect to the Central Borders
where the Plan noted that "building more houses in each of
the burghs....would be insufficient", and that the required
development was "likely to be fulfilled most easily by con-
centrating the bulk of any increase in population and employ-
ment on expansion of an existing town."[57] (Galashiels). Similarly,
in the Eastern Borders the concentration of effort was to be
on Berwick-on-Tweed, "the natural focal point and the place
best able to draw on the maximum labour potential".[58] The

[56] H. C. Debates, 685, (1963-64), c.1091

[57] The Scottish Economy 1965 to 1970, p.47

[58] Ibid., p.58

Highlands, where emphasis was given to "significant labour
catchments" such as Wick/Thurso and Fort William,[59] and the
North-East, where the roles of Dundee and Aberdeen were
stressed,[60] also received a selective emphasis.

Further indication of a selective approach to develop-
ment can be discerned in the Plan's recommendations concern-
ing Central Scotland. It stressed the need to integrate
much more closely the previously social policy of Glasgow
overspill with policies of economic development. In the
words of the Plan:[61]

> The Government therefore propose...to
> intensify the provision of housing and
> other essential services in suitable
> locations in Central Scotland where the
> necessary movements of population arising
> from the decongestion of towns and cities
> can be matched with new industry steered
> by the Government's distribution of industry
> policy.

Later in the same paragraph of the Plan, the "suitable
locations" quoted above are referred to as growth areas,
the only occasion in the Plan that this term is used.
There is also a reference to the need to strengthen "other
promising places throughout the central belt where progress

[59] Ibid., p.59

[60] Ibid., pp.58-9

[61] Ibid., p.39

can be rapid".[62] Elsewhere, after stating that "The first

phase, to 1970, will see the continued and rapid expansion

of those places in Central Scotland which have the benefit

of complexes of new fast growing industries, and which are

well placed in relation to communications and other services",[63]

the Plan goes on to specify the old growth areas (except the

Vale of Leven).

Thus, a closer examination of the 1965 to 1970 Plan

suggests that something of a growth area approach, although

much less explicit, still prevailed. After a somewhat

similar analysis Allan and MacLennan[64] also conclude that a

modified and less overt growth area policy continued. They

state that "In Scotland, then, growth area policy would still

seem to be in operation though it is less open and a little

weaker than before 1966".[65] In addition, McCrone[66] discerns a

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[62]
Ibid., p.43

[63]
Ibid., p.57

[64]
Kevin Allen and M.C.MacLennan, Regional Problems and
Policies in Italy and France, University of Glasgow Social
and Economic Studies, London, Allen and Unwin Ltd., 1970.

[65]
Ibid., p.311

[66]
Op. cit., p.212

modified growth area emphasis in the 1965 to 1970 Plan.

Turning to the implications of the 1966 Industrial Development Act, the designation of most of Scotland as a Development Area need not indicate the abandonment of a growth area policy. It can be argued that the scope of the Development Area meant that many potential growth areas were included (in fact, all eight of the 1963 growth areas were) and that industries were free to select a promising site of their choice rather than being tied to small areas of limited potential as was usually the case with the Development Districts. This appears to be the rationale for McCrone's qualified approval of the 1966 legislation.[67] On the other hand, some economists have argued that "footloose industries" are few in number and should not be spread thinly if external economies are to accrue and that a deliberate selection of growth points permits concentration of public investment with attendant savings.[68]

Even without specifically designated growth areas it is possible to concentrate infrastructural investment. Indeed, according to Sir Douglas Haddow's testimony to the Select

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[67] Op. cit., pp. 128 and 212.

[68] For example, see R. C. Tress, "The Next Stage in Regional Policy", Three Banks Review, March, 1969.

Committee on Scottish Affairs the programme of the selective infrastructural investment outlined in the 1963 White Paper on Central Scotland was continued throughout the 1960s. Haddow (Permanent Under-Secretary of State, Scottish Office) pointed out to the Committee that "to get the best value from our infrastructure, there has got to be a degree of concentration.....To that extent there is inevitably a bit of growth area philosophy in this".[69] In response to the question "Is it not true that we are really continuing with the concepts and principles which were embodied in the 1963 White Paper?",[70] Haddow remarked:[71]

> I think it is fair to say, Sir, that in
> practice, as distinct from in philosophy,
> the infrastructure programmes...do inevitably
> focus on a number of central points and they
> do include all, or most, of the growth points
> envisaged in 1963.

At the same time, both Haddow and J. H. McGuinness (Assistant Under-Secretary of State and Chairman of the Scottish Economic Planning Board) emphasized that considerable effort had been made to encourage development outside Central Scotland. In the words of McGuinness, "This is a consideration

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[69]
   S.C.S.A., Minutes, 397, p.28

[70]
   Ibid., p. 29

[71]
   Ibid., p. 29

that especially in recent years has been very much uppermost

in the minds of the Scottish Office, that growth must be

spread out."[72] However, both he and Haddow noted that not-

withstanding the efforts to broaden and extend (geographically)

the emphasis of regional effects, "the 1963 growth points are

in practice the places to which industry wants to go."[73] The

attractiveness of the growth areas is borne out by evidence

presented to the Hunt Committee on Intermediate Areas by the

Scottish Economic Planning Council.[74] In their evidence, the

Council indicated that over the previous four or five years

the Scottish growth areas had enjoyed success in attracting

new industry out of all proportion to their population.

Specifically, the Council claimed that:[75]

> ...these areas, with just over 16% of the total
> Scottish population, have attracted, in terms
> of floor space, over 40% of new factory develop-
> ments covered by I.D.C.s and 56% of prospective
> employment flowing from such developments. Put
> another way, whereas between mid-1965 and mid-1967
> employment in manufacturing industry in Scotland
> as a whole declined by 1½%, in these areas it rose
> by about 8%. As a result, their share of Scotland's
> manufacturing employment rose from about 17% at
> mid-1965 to about 19% at mid-1967.

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[72] Ibid., p.26

[73] Ibid., p.29

[74] Scottish Economic Planning Council, "Growth Area
Investment in Scotland", Evidence presented to the Hunt Committee
in July 1968. (Unpublished material provided by the Scottish Office)

[75] Ibid., para.13

In summary, it is difficult to state with any certainty the status of growth area policy in the second half of the 1960s. The priority which growth areas received in the 1963 White Paper on Central Scotland was definitely reduced, both by the Scottish Office's efforts to promote development in other regions of the country and by the increasingly indiscriminate nature of the regional economic policies enacted by the Government in the late 1960s. It should be emphasized that after 1966 (The Industrial Development Act) there was no discrimination in favour of the growth areas in the incentives available to industry. On the contrary, with the designation of five Special Development Areas in November 1067, the growth areas and the larger Development Area in which they were situated could offer only a secondary range of benefits. However, from the outset the Government appeared to put more emphasis on infrastructural investment than on differential financial incentives for reinforcing the growth area programme. Even at their inception the only preferential treatment given to the growth areas was that they were allowed to maintain their Development District status, and associated benefits, even if their unemployment rates fell below the normal limit of 4% to 4.5%. While even this modest advantage was removed by the effect of subsequent regional policies, a selective approach was apparently continued through the concentration of infrastructural investment on certain areas,

including mostof the 1963 growth areas.

In this connection, Allen and MacLennan have observed that:[76]

> the lack of any strong discrimination in favour
> of growth areas would seem to imply a belief
> that the location of the growth areas plus the
> plans to provide adequate infrastructure are
> sufficient to ensure their rapid development.
> It could indeed be argued that if growth areas
> have been chosen correctly, then industry would
> anyway have a preference for a location within
> them and that discriminatory incentives are
> therefore rather superfluous.

While it is clear that not every growth area designated in 1963 continued to receive top priority,[77] it seems reasonable to conclude that a modified, less open and somewhat weakened growth area programme (which embraced many of the original growth areas) continued throughout the 1960s. One should not rule out the possibility that the Government deliberately clouded the policy emphasis, or at least refrained from clarifying an increasingly blurred policy, as a politically less controversial approach to development and one allowing greater flexibility.

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[76] Allen and MacLennan, op. cit., p.316

[77] For example, the Vale of Leven, where topography severely limited development, never got off the ground and was not even mentioned in the 1965 to 1970 Scottish Plan. The growth area initiative in North Lanarkshire was also short-lived, as described in Chapter Three.

The Trend in Regional Policies since June 1970

Considering the Conservative Party's strong criticisms of Labour's regional policies, new policy initiatives were expected following the Conservative victory in the election of June 18th, 1970. Within four months of taking office the new Government issued a White Paper on Industrial Incentives[78] which claimed that the cost of regional differentials in the form of higher investment grants - a difference of 20%[79] - had been "unduly high in relation to the benefit provided."[80] In place of the grants(which became unavailable for any capital expenditure incurred after October 26th,1970) the Government offered a new system of early depreciation allowances for expenditure on plant and machinery. Within Development Areas there was an opportunity to write off the whole cost of plant and machinery against profits in a single year as compared with only 60% and the remainder spread over

[78] Department of Trade and Industry, Investment Incentives, Cmnd. 4516, London, HMSO, 1970.

[79] As previously outlined, under the 1966 Industrial Development Act Development Areas were eligible for investment grants of 40% as compared with 20% grants in non-Development Areas.

[80] Quoted by Andrew Hargrave in "Clues to the New Strategy", Financial Times Survey, Scotland, November 9th, 1970.

the subsequent four years in non-Development Areas. In
addition, the temporarily increased rate of initial allowance
of 40% for industrial buildings in both Intermediate and
Development Areas was continued indefinitely, with the 30%
rate applicable in the rest of the country to revert to 15%
in 1972. The rates of building grants for Development Areas
were raised from 25% and (for special cases) 35%, to 35%
and 45%. The Government also proposed "a more generous and
flexible use of the 1960 Local Employment Act in relating
this grant to jobs provided, in loans provided under section 4
and in expenditure on infrastructure, training, the clearing
of derelict land and on generally the improving of services."[81]
Finally, the Government indicated that the sharply criticized
Regional Employment Premium would be continued until 1974,
the period of coverage provided by the previous Administration.[82]

Within months economic decline and sharply rising
unemployment[83] led the Conservative Government to further

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[81]
  Ibid.

[82]
  The Labour Government had introduced the premium for
a seven year period in September of 1967.

[83]
  For example, the unemployment rate in Scotland went
from 4% in the second quarter of 1970 to 4.3% in the third,
4.6% in the fourth, and approximately 5.2% in the first
quarter of 1971. Figures from "The History of British
Regional Policy", a forthcoming publication by J. Douglas
McCallum, University of Glasgow, p.37.

regional initiatives. In February 1971 the Special Development Areas of Britain, which at that time were mostly mining locales, were dramatically extended. With the designation of several sizeable regions, including West Central Scotland,[84] the percentage of the insured population of Britain within these areas increased from 1.8 to 8.5.[85] The combination of "operational grants" of 30% of the first three years' wage and salary costs, 45% building grants and possible five years' rent free tenancy in an industrial estate factory gives the Special Development Areas a considerable edge over the Development and Intermediate Areas in the attraction of industry. These latter areas were also extended, in March 1971. With the designation of Edinburgh and vicinity as an Intermediate Area, all of Scotland now falls within one of the three favoured categories of Intermediate, Development or Special Development Area.

While the general policy changes have been indicated it is difficult to determine the emphasis of regional policies, especially as they apply to Scotland, after only one year of Conservative Government. However, there appear to be a number

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[84]
It is divided into two parts. The larger area, centred on Glasgow, stretches from Motherwell and Wishaw and Carluke in the east to Gourock and Inverkip in the west, north beyond the oil terminal at Finnert and south to the Strathaven district. The other area - separated by a corridor of Development Area - takes in Irvine, Androssan, Hunterston and Portencross.

[85]
McCallum, op. cit., pp. 37-8.

of elements of potential selectivity in terms of the kinds
of industry to receive Government assistance. For example,
the new depreciation allowance favours companies with a good
profit record, and the higher building grants should benefit
owner-occupiers rather than those seeking rental factories.
The intention of relating assistance under the Local Employ-
ment Act more closely to employment created also suggests a
selective approach. In addition, statements by Scottish
ministers have emphasized selectivity in the attraction of
industry. Thus, the Secretary of State for Scotland (Gordon
Campbell) is quoted as follows: "We'll do all we can to help
the individual company....But our philosophy is to concentrate
on companies which are coming to Scotland with definite
prospects."[86] Much the same point has been made by the Under-
Secretary of State for Development (George Younger). "If we
succeeed as we intend to do we shall begin attracting to
Scotland not industries which have been cajoled or bribed in,
but industries which are going to expand and build up in the
1980s and 1990s to become the big firms in Scotland."[87]

A dramatic illustration of this new emphasis on select-
ivity in the attraction of industry would appear to be the
Secretary of State for Scotland's rejection of the plans for

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[86]
    Quoted in Hargrave, op. cit.

[87]
    Quoted in the Glasgow Herald Review, January 1971,
p. 53

a £47 million oil refinery at Hunterston. In rejecting the proposal by Chevron Oil, Mr. Campbell indicated that "the unique facilities of Hunterston should be kept for industries which are more labour intensive than oil - such as the proposed multi-million pound steel complex."[88] In making this decision the Secretary of State was apparently gambling on Scotland gaining a new steel complex[89] which would provide 12,000 jobs compared to only 375 for the oil refinery.[90]

It is paradoxical, particularly in light of the fact that it was a Conservative Government which designated eight growth areas in Scotland in 1963, that this selectivity in the attraction of industry apparently has not been accompanied by selectivity in the geographic areas receiving Government emphasis. Instead, the present Conservative Government has completed the process, well advanced under Labour, of bringing all of Scotland within one of the three categories of favoured areas. However, some geographic selectivity could still be pursued through the Government's declared intention (in speeches before and after the election) of using increased

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[88]
Quoted in the Glasgow Herald, May 26th, 1971.

[89]
A review of steel investment was underway in the Department of Trade and Industry, with a decision on possible new steel complexes expected by the end of 1971.

[90]
Figures from the Glasgow Herald, May 26th, 1971

infrastructure spending as a key to regional development.

According to a statement by the British Government in a recent EFTA publication:[91]

> The importance for industrial development of the provision of modern infrastructure, and the benefits of eliminating the results of industrial dereliction are also reflected in the Government's regional industrial policies... There is to be a continuing reflection of regional development needs in the major public expenditure programme.

A covert growth area policy based mainly on infrastructural investment would approximate the apparent Labour policy of the second half of the 1960s, outlined above.

The ongoing emphasis of regional policies, however, is not the primary concern of this study. Rather, it is Scotland's efforts to pursue regional development in the 1960s. Now that the relevant policy framework has been described, let us turn to the main administrative machinery involved in the pursuit of regional development in Scotland.

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[91] European Free Trade Association, Regional Policy in EFTA: Industrial Mobility, EuropeanFree Trade Association, Geneva, 1971, Country Notes, United Kingdom, para.10.

CHAPTER II

THE ADMINISTRATIVE FRAMEWORK

The description of the administrative machinery most relevant for Scotland's pursuit of regional development proceeds from the national level to the Scottish Office and then to the local level. For the most part changes have been outlined in chronological order, with particular emphasis on the period of the 1960s. While changes up to mid-1971 are described, it should be noted that subsequent chapters refer to Whitehall Ministries as they existed during most of the study period. For example, notwithstanding the changes (described below) introduced by Labour in October 1969 and by the Conservatives one year later, the Board of Trade and the Ministry of Transport are referred to throughout the study. It is hoped that this approach will minimize any confusion arising from changes in names and responsibilities.

The National Level

In the early 1960s the two Whitehall departments whose activities most directly affected Scotland's economic development were the Board of Trade and the Treasury. As evident in the outline of policies in the preceding chapter, the importance of the Board of Trade derived from its steering of industry activities. These embraced both a negative control through the use of Industrial Development Certificates to curb growth in congested areas and positive incentives in

the provision of advance factories[1] and a variety of grants,

loans and other financial inducements. Under the 1960 Local

Employment Act the Board was authorized to designate Develop-

ment Districts and to provide financial assistance to firms

locating within them.

The Treasury's general responsibility for economic

management had been enhanced by the growing interest in

national economic planning at the beginning of the 1960s.

The new emphasis was reflected in the establishment of the

National Economic Development Council[2] in January 1962 and

the internal reorganization of the Treasury completed in

November of that year.[3] As part of the reorganization a new

National Economy Group was created within the Treasury to

analyze long term economic trends and the long range effects

of public policies - in effect, to act as an embryonic

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[1]
   Board of Trade advance factories and industrial
estates in Scotland are actually constructed under the
direction of the Scottish Industrial Estates Corporation.
However, the Corporation's 'Board of Directors' are appointed
by the Board, and it is the Board which both determines the
location of the factories (albeit after consultation) and
allocates them.

[2]
   A group comprised in the main of equal numbers from
employers, organized labour and the Government. While beyond
the scope of this study, the origins and nature of the N.E.D.C.
provide revealing insights into the British Government's
"conversion" to planning. For example, see A. Shonfield,
Modern Capitalism, Oxford, Oxford University Press, 1965.

[3]
   See Lord Bridges, The Treasury, London, George Allen
and Unwin (Whitehall Series #12), 1966.

planning department. Quite apart from its growing involvement
in economic planning, the Treasury played a key role in
Scotland's regional development because of its responsi-
bility for budgetary control. Thus while the Scottish Office
could (and did) formulate detailed regional plans, the
implementation of these plans depended upon funds being
approved by the Treasury.[4]

As previously outlined, high unemployment in the winter
of 1962-63 brought increasing pressure for a new approach to
regional development. It is noteworthy, particularly in the
light of subsequent developments under Labour, that the
Conservative Government's response did not involve significant
changes in administrative machinery. In January 1963 the Lord
President of the Council, Lord Hailsham, was asked to advise
the Cabinet on the means of reviving industrial activity in
North East England. This led to the preparation of a White
Paper outlining a growth area policy for the North East.[5]
A second administrative change came with the formation of a
new Cabinet in October 1963 when Sir Alec Douglas-Home
succeeded Harold Macmillan as Prime Minister. Edward Heath,

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[4]
    Ultimately, of course, all departmental budgets had
to be approved by Parliament. In the preparation of estimates,
however, the Treasury's attitude toward Scotland's requests
for funds was obviously critical.

[5]
Supra, p. 14

while retaining the Presidency of the Board of Trade, was

also appointed to the newly created post of Secretary of

State for Industry, Trade and Regional Development.[6]

When the Conservative Government introduced their new

regional strategy of growth areas they disclaimed any need

for changes in the existing administrative machinery.

Mr. Heath informed the House of Commons[7] that the Government

had considered:

> ....whether it is right to try and carry through
> plans of this kind by an organization of the
> representatives of the Departments in the
> region, or whether some fresh machinery, elected
> or unelected should be created for this purpose.
> We considered that the means of implementing it
> should be through the regional representatives
> of the Whitehall departments.

Consistent with this position was the North East White

Paper's call for improved coordination at the regional level

through the concentration of Departmental field offices under

one roof in Newcastle. In Scotland there already existed a

committee of representatives from Whitehall and Scottish

Departments, which had worked together in preparing the White

Paper on Central Scotland.

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[6] It is interesting to note that following their election
in 1970 the Conservatives, with Edward Heath now Prime Minister,
made a somewhat similar reorganization in establishing the
position of Secretary of State for Trade and Industry.

[7] H.C.Debates, 685 (1963-64) c.995.

The Conservative Government therefore intended to implement the growth area programmes in North East England and Central Scotland with the existing allocation of responsibilities among Whitehall Departments. This implied that the Board of Trade would reinforce the desired growth area pattern through its steering of industry efforts. However, the Board had long been preoccupied with the problems of localized unemployment and was at that time committed to the support of numerous small Development Districts scattered throughout the country. Before it could be determined whether Board of Trade activities would complement or detract from the new growth area approach an election brought Labour to power and led to several major changes in administrative machinery.

Administrative Changes under Labour, 1964 to 1970

One of the first actions of the new Labour Government was the creation of a Department of Economic Affairs (D.E.A) to spearhead the pursuit of economic growth and regional development. In part this was a reaction to the ineffectiveness of the National Economic Development Council in pursuing long term economic planning and in promoting the concept of economic growth.[8] However, the main reason for the creation

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[8] In a number of speeches over the previous two years Harold Wilson, the Labour leader, had expressed the view that effective economic planning could only be carried out by a body more closely related to the Cabinet than the National Economic Development Council. For example, see New Statesman, October 26th, 1962.

of the D.E.A. appeared to be Labour's continuing distrust
of the Treasury and its conviction that the Treasury was
far too concerned with the short term and the stability
of the pound to effectively champion economic growth and
long term planning.[9] The establishment of the new Depart-
ment and the appointment of the Deputy Leader of the Labour
Party (George Brown) as Secretary of State for Economic
Affairs indicated an attempt to reduce the Treasury's
traditional responsibility for economic management.

D.E.A.'s establishment involved the transfer of a
substantial portion of the National Economic Development
Council's staff, all work of the National Economy Division 2
and part of that of the National Economy Division 1 of the
Treasury and the relevant Treasury staff.[10] The new Department
thus became responsible for incomes and prices policy and long
term economic reviews, as well as the coordination of policy
on economic growth. Its first main task was the preparation
of a National Plan published in late 1965.[11]

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[9]
This view is reflected in speeches by such influential
figures as Thomas Balogh and George Brown. For example, see
interview with George Brown by Henry Brandon in the Sunday
Times, September 15th, 1963.

[10]
For a discussion of this reorganization and the Treasury
generally, see Lord Bridges, op. cit.

[11]
Supra, p. 11

A closely associated administrative change saw the establishment, in early 1965, of regional economic planning boards and councils for the eight regions of England, and for Scotland and Wales. The economic planning boards were staffed by civil servants drawn from the various Government departments concerned with regional planning and development and were chaired (in England) by Under-Secretaries on the establishment of the D.E.A.[12] Their main task was "to provide machinery for coordinating regional planning work in the regions of the Government Departments."[13]

The regional planning councils were advisory in character and were composed of a chairman and some twenty-five members[14] appointed by the Government.[15] Their terms of reference were to assist in the formulation of a regional plan; to advise on the steps necessary for implementing the regional plan on the basis of information provided by the economic planning boards; and to advise on the regional implications

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[12] In Wales and Scotland, the Welsh and Scottish Offices provided the Under-Secretary.

[13] "Regional Economic Planning Machinery", Board of Trade Journal, June 17th, 1966, p. 1,343

[14] Appointed on personal experience, but including representatives of industry, commerce, the trade unions, the local authorities, agriculture and the universities.

[15] In Scotland and Wales, by the respective Secretaries of State.

of national economic policies.

Thus as Labour envisaged the process, regional plans
would be formulated by the regional economic planning boards
and councils within the framework of the National Plan. The
D.E.A. was expected to play the key role in this process by
presiding over the preparation of regional plans by the new
regional machinery established under its auspices and by
championing economic growth as a national priority. Labour's
regional development efforts assumed, therefore, that the
D.E.A. would consolidate its intended position of pre-eminence
in economic planning and that the economy would enjoy a period
of growth and expansion within which regional development
could take place. Neither of these conditions prevailed.

Any attempt fully to assess the reasons for the D.E.A.'s
decline is beyond the scope of this study. However, the
fundamental problem was that while the new department was
expected to assume a coordinating role it was given no
executive powers nor any authority to carry out this role.
In the absence of such authority it is difficult to understand
how the D.E.A. could have prevailed over such entrenched
Ministries as the Treasury and the Board of Trade, even if
economic conditions had been favourable for the D.E.A.'s
emphasis on economic growth.

The increasingly poor performance of the national
economy, noted above, sealed the fate of the D.E.A.

The paramountcy of the Treasury, never really challenged by the new department, was confirmed with the adoption of the deflationary measures of July 1966, which presaged the abandonment of the D.E.A.'s National Plan. Pointing out that the establishment of the D.E.A. left untouched the Treasury's vital power, the control of public spending and that the latter department had retained responsibility for short term economic management, Michael Shanks contends that "the real power of the Treasury was hardly touched by the institution of the D.E.A."[16] A colourful testimony to the Treasury's strength is provided by George Brown who acknowledged "the strength of the Treasury Knights in Whitehall jousting."[17]

The increasingly serious economic conditions also strengthened the hand of the Board of Trade vis à vis the D.E.A. Advocating a selective approach to regional development became more difficult with rising unemployment. Politically, the Board of Trade's traditional approach of focusing its advance factories and industrial incentives on areas of high unemployment was much more acceptable. In this connection, the November 1967 designation of a number of high unemployment coal mining areas as Special Development Areas (described above)

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[16] The Times, April 8th, 1968

[17] Sunday Times, March 31st, 1968

can be interpreted as a partial reversion to the Board's rescue operations approach to regional development.

The D.E.A.'s decline in influence was accompanied by the loss of functions to other departments. As early as April 1966 it was announced that the D.E.A. would turn over the day to day administration of prices and incomes policy to the Ministry of Labour, the Board of Trade and other appropriate departments, but would retain a general coordinating function in this field. Additional D.E.A. responsibilities, mainly those of the External Policies Group relating to EFTA and the coordination of overseas economic policy, were transferred to the Board of Trade in an August 1967 reorganization. At this time the Prime Minister assumed responsibility for the D.E.A., although a Secretary of State for Economic Affairs with a seat in the Cabinet was retained.[18]

The D.E.A. was finally disbanded in October 1969.[19] Responsibility for medium and long term economic planning for the U.K. passed to the Treasury, which had retained short term

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[18] Some observers felt that the D.E.A. should have been directly linked to the personal authority of the Prime Minister from the outset, to compensate for its own lack of authority. However, the move came too late to halt the D.E.A.'s decline.

[19] As Michael Shanks remarks, "the pulse stopped beating some time before the announcement of death." The Times, November 14th, 1969.

economic management throughout the D.E.A. period. The

D.E.A.'s general responsibility for regional development

in England, including the work of the eight economic

planning boards and councils, passed to a new Secretary of

State for Local Government and Regional Planning.[20] The

industrial work of the National Economic Development Council

and the Economic Development Committees for individual

industries was transferred to the Ministry of Technology,

which had been established in 1965 in furtherance of the

Labour Government's declared efforts to modernize British

industry and to increase the level of research and develop-

ment in the country. The Ministry of Technology also assumed

responsibility for the issue of investment grants and

Industrial Development Certificates which had been under the

Board of Trade for the previous two decades.

A thorough analysis of these changes is beyond the

scope of this study.[21] The main criticism was that responsi-

bility for economic and physical planning (nominally

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[20]
     The new Secretary of State became an "overlord" for
the Ministry of Housing and Local Government and the Ministry
of Transport which retained their identity as departments.

[21]
     See William Plowden in New Society, January 1st, 1970
and Michael Shanks in The Times, October 8th, 1969 and
November 14th, 1969.

coordinated under the D.E.A.) was divided between the Treasury,

the Ministry of Technology and the Secretary of State for

Local Government and Regional Planning. In particular, it

was suggested that the latter's role as "overlord" should

have been extended to include responsibility for industrial

location which instead went to the Ministry of Technology.

As Michael Shanks noted:[22]

> Responsibility for industrial location should
> surely logically rest with the Department of
> Regional Planning rather than with the Ministry
> of Technology, for distribution of industry lies
> at the core of regional development.

However, many of the changes noted above had little

direct bearing on the pursuit of regional development in

Scotland. While the decline and dismantling of the D.E.A.

took at least some of the initiative out of the regional

development programmes in England, Scotland was shielded

because of the Secretary of State for Scotland's responsi-

bility (described below) for regional development, including

the work of the Scottish Economic Planning Board and Council.

The only aspect of the extensive reorganization of October

1969 which directly affected Scotland was the shift of the

Board of Trade's industrial location responsibilities to

the Ministry of Technology. The implications of this change

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[22]
    The Times, October 8th, 1969

(and subsequent ones introduced by the new Conservative
Government) go beyond the main time period of this study.
However, some indication of the likely effect of the
shift of the industrial location responsibilities is found
in the Report of the Select Committee on Scottish Affairs:[23]

> There must naturally be conflict occasionally
> between "old" Ministry of Technology aim of
> making an industry as efficient as possible,
> regardless of location, and the newly acquired
> aim of carrying out a regional development
> policy which may require, for example, that a
> firm must not be allowed to expand in situ
> but must be encouraged to set up in a Development
> Area...It is too early to say whether the re-
> organization in itself will materially affect
> the development of Scottish industry.

The activities of several other Whitehall departments
and agencies also had a bearing on Scotland's economic
development in the 1960s. For example, under the Key
Workers Scheme, the Department of Employment and Productivity
(formerly Labour) offered assistance where appropriate
"toward the transfer expenses of certain key employees moving
with their employers to a project being set up with Board of
Trade assistance in a Development Area."[24]   Under the 1964
Industrial Training Act the Secretary of State for Employment
and Productivity had a general responsibility for industrial
training boards which were primarily responsible for the
development of industrial training in Scotland, or elsewhere

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[23]
   Select Committee on Scottish Affairs, Report, H.C.267
(1969-70), London, HMSO, 1970, p.32 (Hereafter S.C.S.A.Report,267)

[24]
   EFTA, Industrial Estates, p.45

in Great Britain. The Department also undertook industrial training at Government Training Centres, of which there were nine in Scotland in 1969.[25] Finally, the Department's role in manpower forecasting should be noted, although by its own admission, this was "still at a fairly rudimentary stage of development."[26]

The Ministry of Transport merits mention because of its statutory responsibility throughout Great Britain for nationalized transport industries, especially the British Railways Board. The latter's role with respect to the closure of passenger services and subsidies to lines has been of considerable significance to Scotland. Also of interest, although not in effect during much of the period under study, is the Ministry of Transport's authority to make grants for transport services of value to regional economies, notably loss-making passenger railway services.[27] In addition, under the 1964 Harbours Act, the Minister controlled port development expenditure and was empowered to give grants and

25
S.C.S.A. Report, 267, p.76

26
Ibid., p.79

27
Ibid., p. 35. These grants were initiated in April 1969.

loans towards port development, which he did in the case
of Leith, for example.[28]

Another significant Whitehall body has been the
National Coal Board. While the Board operated in Scotland
under two area directors it was essentially a unitary
organization responsible to the Ministry of Power (after
October 1969, the Ministry of Technology). The National
Coal Board's role with respect to the closure of collieries,
and the possible deferment of closures, obviously had impor-
tant implications for Scottish economic growth. This was
not just because of the loss of employment caused by colliery
closures, but also the effect on the Scottish Office's
apparent attempt to pursue a growth area policy of the
presence of numerous coal-mining pockets of high unemployment.
The potential conflict in emphasis became more obvious after
the Board of Trade designated several of these areas as Special
Development Areas eligible for enhanced incentives.

The Labour Government's attitude toward and response to
the question of reform of the local government system should
also be noted. While interest in local government reform had
existed since the end of the Second World War, progress had
been very slow. The Boundary Commission established under

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[28] Ibid., p.34

the Local Government (Boundary Commission) Act, 1945 and the

two Local Government Commissions (one for England and one for

Wales) established under the Local Government Act, 1958,

toiled in vain and were disbanded.[29]   The Conservative

Government's cautious attitude toward local government reform

was evident in speeches by the responsible minister.[30]   However,

with the election of Labour came a significant shift in

emphasis. The new Minister of Housing and Local Government,

Richard Crossman, was critical of the terms of reference of

the Local Government Commissions which he felt perpetuated

a town and country distinction that was no longer valid for

planning and many other local responsibilities. In his view

any reorganization of local government should reflect the

concept of economic regions.[31]   This factor and the obvious

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[29]
For the background to and shortcomings of the Boundary
and Local Government Commissions see William A. Robson, The
Spectator, August 2nd, 1963, Peter G. Richards, The New Local
Government System, (The New Town and County Hall Series 5),
London, George Allen and Unwin, 1970 and J.C.Banks, Federal
Britain?, London, George G. Harrap and Co. Ltd., 1971.

[30]
For example, Sir Keith Joseph, "Local Authorities and
Regions", Public Administration, Autumn 1964.

[31]
By this time, as previously outlined, the Labour
Government had divided England into economic planning regions
as part of their new regional development initiatives.

lack of progress in local government reform led to the winding up of the Local Government Commissions for England and Wales and the appointment, in May 1966, of two Royal Commissions on Local Government, one for England and Wales and one for Scotland. The resulting recommendations for the reform of local government in Scotland are of considerable significance for this study and are examined later.

Administrative Changes since June 1970

The new Conservative Government moved fairly rapidly in making administrative changes, with a White Paper (Cmnd. 4506) in October 1970 outlining a major reorganization of administrative machinery. Continuing the tendency toward super-ministries (evident in the Labour changes of October 1969) the Government created a new Department of the Environment by integrating three existing departments: the Ministry of Housing and Local Government, the Ministry of Transport[32] and the Ministry of Public Buildings and Works. At the same time, the Ministry of Technology (with the exception of aerospace functions which were temporarily given to a new Ministry of Aviation Supply) was merged with the Board of Trade in a

[32] As noted above, these two ministries, while retaining their legal identity, had previously been combined by Labour under the Secretary of State for Local Government and Regional Planning.

new Department of Trade and Industry headed by a Secretary of State for Trade and Industry who was also to hold the historic office of President of the Board of Trade.[33]

Neither of these changes would appear to have much direct bearing on the Scottish Office's pursuit of regional development. The Department of Environment has jurisdiction only in England, and the Department of Trade and Industry essentially carries further a change begun under Labour when the Board of Trade's industrial location responsibilities were transferred to the Ministry of Technology.[34] According to a senior official in the Regional Development Division of the Scottish Office neither of these changes made any discernible difference since the policies and the Scottish personnel remained the same.[35]

Of greater interest and relevance have been the Conservative changes affecting Scottish Ministers and the Scottish Economic Planning Council. However, these are more appropriately discussed under the outline of Scottish Administrative machinery which follows.

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[33] There is something of an historical parallel here, with Prime Minister Heath once serving as Secretary of State for Industry, Trade and Regional Development and President of the Board of Trade in the 1963-64 Douglas-Home Administration.

[34] Thus, the Select Committee on Scottish Affairs' assessment of the likely impact on Scotland (Supra, p.57) would also apply to this latest change.

[35] Interview, June 21st, 1971

The Scottish Level

In her pursuit of regional economic development Scotland enjoys the advantage (in comparison to the English regions and, to a lesser extent, Wales) of the extensive administrative responsibilities vested in the Scottish Office and the existence in the British cabinet of a Secretary of State for Scotland.

The Secretary of State for Scotland

The Secretary of State's prominent role in Scotland's economic development arises not only from his statutory responsibilities, but also from his historic position and his status as "Scotland's Minister". The first Secretary for Scotland was appointed in 1885 "to exercise various functions previously carried out in Scotland by the Home Secretary, the Privy Council, the Treasury and the Local Government Board for England."[36] At the same time he became responsible to Parliament for the various Boards and Commissions then operating in Scotland, although they retained their statutory duties. Since 1892, except during the period of the War Cabinets, the Scottish Secretary has always been a member of the Cabinet, and in 1926 the holder of the office

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[36] Commission on the Constitution, Written Evidence 2, London, HMSO, 1969, p.47 (Hereafter Commission on the Constitution, 2)

of Secretary for Scotland was elevated to the rank of a
Principal Secretary of State. The growth in the Secretary
of State's responsibilities was also reflected in a
strengthening of his ministerial team. Since 1951, there
have been three Joint Parliamentary Under-Secretaries of
State and a Minister of State.[37] While Labour experimented
with a second Minister of State in the late 1960s, the new
Conservative Administration has reverted to the traditional
pattern.

In their use of the Scottish Ministers, however, the
Conservatives have instituted a noteworthy change. From
the outset one of the three junior Ministers has been
specifically designated Under-Secretary of State for Devel-
opment.[38]

> He is specially concerned with the promotion
> of industry and trade in Scotland and with
> the development of their supporting services.
> He maintains contacts with Whitehall depart-
> ments on economic and industrial matters and
> with Scottish industry and commerce in promot-
> ing plans for further development.

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[37]
Provision was made for a Parliamentary Under-Secretary
of State in 1926, for two in 1940 and for a third plus a
Minister of State under the Ministers of the Crown (Parliamentary
Under-Secretaries) Act, 1951.

[38]
Glasgow Herald Review, January 1971, p.51

The Secretary of State for Scotland has also specifically designated Under-Secretaries of State for Home Affairs and Agriculture and for Health and Education. Both the allocation of responsibilities to each Minister and the designation of a specific Minister of Development appear to be responses to recommendations of the Scottish Constitutional Committee, chaired by Sir Alec Douglas-Home.[39]

The Secretary of State's control over administration was extended following the 1937 Gilmour Report.[40] Under the Reorganization of Offices (Scotland) Act, 1939, all Scottish Office staff, including the various Boards and Commissions which had grown up over the past 50 years, were brought together under one roof in Edinburgh (St. Andrews House) and all Scottish functions were vested directly in the Secretary of State for Scotland. One significant consequence of this change is that it gives the Secretary of State the power to organize his administrative machinery as he sees fit.[41]

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[39] The Scottish Constitutional Committee, Scotland's Government, The Report of the Scottish Constitutional Committee, Edinburgh, 1970; see paras. 137 and 143.

[40] Scottish Office, Committee on Scottish Administration, Report, Cmd. 5563, Edinburgh, HMSO. 1937

[41] As will be seen, this power was used to good effect in 1962 with the creation of the Scottish Development Department.

The Secretary of State has also gradually acquired a number of statutory responsibilities relating to regional economic development. Perhaps his most important responsibility (actually exercised through the Scottish Development Department, described below) is that of central planning authority under the Town and Country Planning (Scotland) Act, 1947. This involves the control and coordination of the activities of local planning authorities throughout Scotland and requires the submission of development plans. In addition, the Secretary of State is empowered (under S.13) to direct that planning applications of particular classes be referred to him by the local planning authority.[42] He is also the confirming authority for compulsory purchase orders made by local authorities and must approve numerous schemes formulated by them.

In 1954 the Secretary of State acquired the Minister of Fuel and Power's responsibilities for the supply of electricity in Scotland. Two years later[43] the Minister of Transport's responsibility for roads and bridges was transferred to him. The Secretary of State is therefore responsible for the

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[42] This power was exercised with the local authorities in West Central Scotland when a number of major proposals (for example, Murco's plan for a £30 million refinery at Bishopton and Chevron's proposed £40 million refinery at Portencross) required consideration.

[43] On the recommendation of the Royal Commission on Scottish Affairs. See Scottish Office, Royal Commission on Scottish Affairs 1952-54, Report, Cmnd.9212,Edinburgh,HMSO. 1954.

construction, improvement and maintenance of trunk roads
and in this connection may acquire land compulsorily.

Also significant is the Secretary of State's power
(under the New Towns Act, 1946), after consultation with
the local authorities concerned, to designate the site of
a new town. Because of the extent to which Scotland's new
towns have been used as the focal points for regional growth
initiatives,[44] this power is obviously an important determin-
ant of the pattern of economic development.

Another dimension of the Secretary of State's role in
Scotland's economic development is his political influence,
his bargaining power with his Westminster cabinet colleagues
and the Prime Minister. While this is difficult, indeed
almost impossible, to measure, the degree of attention and
special consideration which Scotland receives from the
national government may be affected by the status, seniority
and persuasiveness of the particular Secretary of State.
Party standing may add a complicating factor. Thus during
William Ross's tenure as Secretary of State a substantial
majority of the Scottish M.P.'s were from his party (Labour)
whereas under the present Administration an even larger

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[44]
    Five of the eight growth areas designated in the 1963
White Paper on Central Scotland were centred on new towns,
although in the case of Irvine the new town designation did
not occur until two years later.

number of the Scottish members belong to the Opposition.[45]

The Secretary of State has benefited from the increased emphasis on regional development in the 1960s. As Scotland's Minister, he has assumed a general concern for all matters affecting the country's economic development. This aspect of his role is clearly spelled out by the Select Committee on Scottish Affairs.[46]

> In the field of economic planning, within the Government's overall strategy for economic development in Britain, the Secretary of State for Scotland is now recognized as being responsible for taking the lead in the preparation of plans for economic development in Scotland and for coordinating the execution of these plans.

The Committee goes on to note "the growing public expectation that the Secretary of State, as 'Scotland's Minister', should interest himself in any matter affecting Scotland, whether or not it comes within the scope of his statutory responsibilities."[47]

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[45]
One possible consequence of this situation is worth mentioning, even though it takes us beyond the main time period of the study. Since out of Scotland's 71 MP's only 23 are Conservatives (and 10 of these hold Ministerial or official appointments) the Government can barely command a majority in the Scottish Standing Committee which examines Bills relating to Scotland. As a result, there has been some speculation that this could mean a smaller volume of Scottish legislation during the present Parliament. (Glasgow Herald Review, January 1971, p.53)

[46]
S.C.S.A. Report,267,p.19

[47]
Ibid., p.19.

In his pursuit of Scotland's economic development, the Secretary of State is backed by the substantial administrative machinery of the Scottish Office. Of the four main departments, Agriculture and Fisheries, Education, Home and Health and Development, the last is of particular relevance. For general aspects of economic planning the Secretary of State relies on a separate group known as the Regional Development Division, to which we first turn our attention.

Regional Development Division

The origins of this Division are to be found in the 1950s, in the creation of a small group to help prepare answers for the Secretary of State on a wide range of economic questions. During this period the group was located in the Scottish Economy Division of the Home Department. The arrival of the Rootes and BMC factories at the end of the 1950s underlined the need for closer coordination in the provision of services such as roads, housing and water and sewerage. With the establishment of the Scottish Development Department in 1962, the Scottish Economy Division moved to the new department and became more closely associated with physical planning.

Within a short time the Regional Development Division, as it was by then called, became the Secretariat for an inter-departmental committee known as the Scottish Development Group which was engaged in the preparation of the 1963 White Paper on Central Scotland. When the Scottish Economic Planning

Board and Council were established at the beginning of 1965,
it was logical for the Division to continue in this secretar-
ial role. However, it was felt that this service could be
provided more effectively if the Division were not part of
a line department. Accordingly, when the Secretary of the
Scottish Development Department, Sir Douglas Haddow, became[48]
the Permanent Under-Secretary of the Scottish Office, the
Regional Development Division "followed him" outside the
departmental structure. It is now "a separate entity within[49]
the Scottish Office." While it has no executive responsi-
bilities it has "full liaison with all four of the executive
Departments of the Scottish Office."[50] Its primary function
remains the provision of advice on economic matters to the
Secretary of State. According to a Memorandum from the
Scottish Office to the Crowther Commission, "the work of the

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[48]
Under the previously mentioned Reorganization of Offices
(Scotland) Act, 1939, the Permanent Under-Secretary of State
became the Secretary of State's senior official adviser over
the whole range of his responsibilities. He has no departmental
executive responsibilities, however, and the Heads of the four
Scottish departments report direct to Ministers. Describing
his role in relation to the four departments Haddow has stated:
"I am not a bottleneck here. I know what they are saying and
I am in a position to intervene if I think they are getting out
of joint, or if a question of coordination with a Great Britain
Department could arise." Commission on the Constitution,2,p.9.

[49]
S.C.S.A. Report,267, p.7.

[50]
Ibid., p.7.

Division is directed towards assisting the Secretary of State to ensure that Government initiatives in economic questions in Scotland are properly coordinated and directed in ways which take full account of Scotland's economic problems and potential."[51]

Internally, the Regional Development Division is organized into four main branches. A brief description of their general responsibilities during the main period of the study follows. The primary function of RD1 was to provide the secretarial services for the Scottish Economic Planning Board and Council and the four Economic Planning Consultative Groups for the Borders, South West, Tayside and North East (described below). It also undertook coordinating work on regional development generally on subjects which did not fall specifically within the responsibilities of the other three Divisions, and in this capacity was responsible for coordinating work on the preparation of the White Paper on the Scottish Economy 1965-70.[52]

RD2 was mainly concerned with liaison with the Board of Trade and the Department of Employment and Productivity on such matters as distribution of industry policy, industrial incentives,

[51]
Commission on the Constitution,2, p.46

[52]
S.C.S.A. Minutes, 397, p.13

the operation of the Local Employment Acts, location of
advance factories, consequences of major closures and un-
employment in particular localities.[53]   As part of this
activity, the Division was responsible for the work of an
interdepartmental group on Housing for Industry. This body,
described below, is essentially a sub-committee of the
Scottish Economic Planning Board.

Scottish Office relations with the Ministries of
Technology and Power was the main responsibility of RD3.
Its duties included providing a secretarial service to an
Industrial Committee of the Scottish Economic Planning Council.
RD4 was concerned with transport policy questions affecting
Scotland and maintained liaison on these matters with the
Ministry of Transport, and the Civil Aviation Department of
the Board of Trade. This division also provided economic
advice and assessments about the effects upon Scotland of
major economic and fiscal measures and issues. However,
since the appointment of Dr. Gavin McCrone as Senior Economic
Advisor in May 1970, a reorganized and expanded economic and
statistical unit is being built up in the Regional Development
Division to provide more comprehensive economic data and advice
to the Secretary of State.

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[53] <u>Ibid.</u>, p.13

The above outline indicates that the Regional Development Division has been closely associated with the Scottish Economic Planning Board and Council. Before examining those bodies, however, the work of the Board's fore-runner, the Scottish Development Group, should be noted.

The Scottish Development Group

As previously indicated, the origins of the Scottish Development Group can be traced to the growth area impetus of 1962-63. To assist the Secretary of State for Scotland in preparing a study on the application of the growth area concept in Scotland a special body was appointed. Comprising senior officials from the Ministries of Aviation, Works, Labour, Trade and Power and the Scottish Development Department (with senior officials from other Scottish and Whitehall departments occasionally in attendance) and chaired by an Assistant Under-Secretary from the Scottish Development Department, this essentially interdepartmental committee became known as the Scottish Development Group. The Group was instrumental in drafting the 1963 White Paper on Central Scotland. Even more significant, however, was the fact that in the course of preparing this White Paper Scottish and Whitehall departments were required to make a joint assessment

of their activities in Scotland and to integrate them as
far as possible within the framework provided by the growth
area concept. This exercise engendered a better understand-
ing of the respective viewpoints of the Scottish Office and
Whitehall and greatly increased the contacts, both formal
and informal, between the two. Several senior officials
interviewed[54] felt that the sense of purpose developed by the
task of shaping the growth area policy carried over into
subsequent activities of the Scottish Development Group and
even the Scottish Economic Planning Board which superseded it.

Another aspect of this exercise merits mention. With
the preparation of the 1963 White Paper Scotland moved to the
forefront in both regional policies and administrative machin-
ery. In addition to setting out a growth area programme the
White Paper confirmed the continued existence of the Scottish
Development Group which was "to phase and coordinate the
execution of this development programme and to extend their
present surveys to other parts of Scotland."[55] With this
"head start" Scotland was able to set the pace for the prep-
aration of regional plans in the second half of the 1960s.

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[54] For example, interview on September 24th, 1968.

[55] Central Scotland, p.10

Doubtless partly because of the prior experience of the
Scottish Development Group, the Scottish Economic Planning
Board had completed a plan for the Scottish economy by the
end of 1965,[56] and unlike the advisory plans which the English
regions later produced, the Scottish Plan was an official
document, reflecting Government intentions. As the Scottish
Office acknowledged in discussions with the Select Committee
on Scottish Affairs, this early start worked to Scotland's
advantage, by allowing her to make the first claim upon
central government resources.[57] Since the Scottish Plan
appeared "long before anything like similar assessments had
been made in any detail for the English regions",[58] the later
studies had to be to some extent reconciled with the prior
claims staked out by the Scottish Office. Thus the deliber-
ations of the Scottish Development Group were important not
only for the immediate objective of drawing up a growth area
programme, but also for the pre-eminence and momentum which

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[56] The Scottish Economy 1965 to 1970 was published in January 1966.

[57] Not surprisingly, Sir Douglas Haddow was cautious about admitting that Scotland had enjoyed an advantage over the English regions. One rather amusing exchange went as follows:"Q.-Putting it bluntly, we have got away with something that the English have not? - The Committee cannot expect me to answer a question like that, Mr. Chairman. In fact, there have been considerable advantages....." S.C.S.A.,Minutes, 397, pp.48-9.

[58] Ibid., p.48 (Haddow).

they gave to Scotland's regional efforts. The Group

remained active until the beginning of 1965 when it was

superseded by the new Scottish Economic Planning Board.

The Scottish Economic Planning Board and Council

The regional planning boards established throughout

Britain by the Labour Government appear to have been modelled

on the Scottish Development Group. Certainly in Scotland's

case the Group simply "became" the Scottish Economic Planning

Board - albeit with some changes in composition[59] - when the

latter was set up in January 1965. The B oard was thus able

to build upon the goodwill and spirit of cooperation evolved

during the two years of the Development Group's activities.

As will be seen, this factor, plus the strong backing provided

by the Regional Development Division, has had a beneficial

effect on the Board's operations and has given it significant

advantages over its English counterparts.

The Board's main task has been "to coordinate the work

of the Departments concerned with economic planning and

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[59]
In the second half of the 1960s the Scottish Economic
Planning Board comprised members from the four Scottish
departments and from Trade, Labour (Employment and Productivity),
Power, Works, Technology, Transport, Defence, Post Office,
Registrar-General, British Rail, the Forestry Commission and
the Scottish Information Office, with the Assistant Under-
Secretary who had chaired the Scottish Development Group continu-
ing in this position. This Assistant Under-Secretary(J.H.McGuinness)
is also in charge of the Regional Development Division.

development[60]" and "to assess the physical, industrial and economical potential of Scotland and of its economic regions."[61] In this connection it is credited[62] with playing a large part in the preparation of the White Paper on the Scottish Economy 1965-70. While each department on the Board remains responsible to its own Minister, they are expected to pool their ideas and proposals. The Board is thus "the main official instrument for ensuring that the separate developments which contribute to economic growth are kept in step."[63]

To undertake detailed study of particular areas, three working groups were established under the Planning Board.[64] These were the working group on population, particularly concerned with analyzing emigration from Scotland; the working group on railway closures, essentially a supporting body for the Scottish Economic Planning Council's

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[60]
S.C.S.A., Minutes, 397, p.3

[61]
Ibid., p.3

[62]
Ibid., p.3

[63]
To what extent a body with no executive powers can in fact coordinate the activities of numerous separate executive departments is considered later in the study.

[64]
These are essentially sub-committees of the Board, serviced by the Regional Development Division.

transport committee (described below); and the working
group on housing[65] concerned with anticipating future
industrial needs for housing in various areas of Scotland.

The second new piece of regional machinery, the
Scottish Economic Planning Council, was set up in March 1965.
It consisted of 23 members and a vice-chairman appointed by
the Secretary of State who also acts as chairman. While the
Council members were selected "primarily for the individual
contribution they can make,"[66] they were drawn from industry,
finance, the trade unions, the local authorities, the
universities, transport and other interest. Briefly, the
terms of reference of the Scottish Economic Planning Council
were to assist in the formulation of plans for the develop-
ment of the Scottish Economy, to advise on the steps needed
for implementing these plans, and to advise on the regional
implications of national economic policies.[67] In carrying out
these responsibilities the Council relied on information
provided by the Scottish Economic Planning Board and the
Regional Development Division, with the latter providing

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[65]
    Better known as the interdepartmental committee on
housing, the activities of this body are noted below,
especially in relation to the growth area programme.

[66]
    S.C.S.A. Minutes, 397, p.4

[67]
    Ibid., p.4

the secretariat for the Council and its committees
(described below) and also preparing the Council's agenda.
Therefore the main function which the Council could per-
form in its own right was to act as "the Secretary of State's
main external source of consultation and advice on matters
affecting Scotland's economic development."[68]

Like the Planning Board, the Scottish Economic
Planning Council found it useful to specialize and it
established three committees. The Industrial Committee
was concerned with virtually all aspects of industrial
development, and examined such matters as the feasibility
of a deep water ore terminal in the Clyde, the future of
the iron castings industry in Scotland, and possible
techniques for manpower forecasting at the sub-regional
level.[69] The Regional Committee's main task was to examine
and report on the various regional studies (for example,
the surveys of Grangemouth/Falkirk and the Central Borders)
and it gave particular attention to the development of West
Central Scotland, including the possibilities offered by
the proposals for major developments on the Clyde estuary.[70]

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[68] Ibid., p.4.

[69] S.C.S.A., Minutes, 397, p .4.

[70] Ibid., p.4.

Consisting largely of representatives of both sides of the transport industry,[71] the Transport Committee sought to promote the coordination of transport facilities serving Scottish needs, and to advise on transport questions generally.

Although beyond the main time period of this study, the new Conservative Administration have made some changes in the economic planning consultative machinery in Scotland. In December 1970 the Secretary of State for Scotland renamed the Scottish Economic Planning Council as the Scottish Economic Council. It was emphasized that the change in name was to draw attention to the Council's purely advisory role. While it was useful as a source of independent advice to the Secretary of State, the Council had no executive or planning powers. The new Scottish Economic Council is appointed in essentially the same way except that the Secretary of State no longer makes the appointments on the basis of nominations from various interests as was the case previously.[72] The Secretary of State continues as Chairman of the Scottish Economic Council, with the Under-Secretary of State for

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[71] Six members of the Transport Committee were also members of the Planning Council, while seven were outsiders. All members of the Industrial and Regional Committees (10 each) were also members of the Planning Council. S.C.S.A.,Minutes, 397, p.99.

[72] Interview, June 9th, 1971.

Development acting as vice-chairman.[73] The three committees

established by the Scottish Economic Planning Council (regional,

industrial and transport) have not been continued and their

functions have apparently reverted to the Planning Board.

Turning specifically to the Scottish Office, one finds

that the Scottish Development Department plays a particularly

important role in Scotland's regional development efforts and

that the Scottish Special Housing Association also merits mention.[74]

The Scottish Development Department

While the Secretary of State has long had the power to

organize his administrative machinery as he thinks fit,[75]

little use was made of this power for two decades. The four

main departments established under the 1939 Reorganization

of Offices (Scotland)Act - Agriculture, Education, Health

and Home - remained substantially unaltered until the

beginning of the 1960s. When administrative reform did come,

it was as part the general awakening of interest in new

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[73] The vice-chairman of the Scottish Economic Planning
Council had been a private individual. (Mr. George Middleton)

[74] While not strictly part of the Scottish Office, the
Association is financed from government funds and is under
the general direction of the Secretary of State.

[75] As previously mentioned this power dated from 1939
when, as part of a tidying up of the numerous Boards and
Commissions established in Scotland over the years, all
Scottish functions were vested in the Secretary of State.

policies and machinery which characterized this period. [76]
In fact, it was the 1961 Toothill Report, previously cited
as an influential voice in the evolution of a growth area
policy for Scotland, which pointed the way to the creation
of a more effective administrative machine for regional
development within the Scottish Office.

After examining the existing arrangements, the Toothill
Committee rejected the various arguments presented to them
for the transfer of more responsibility for economic and
industrial matters to Scottish ministers. [77] Instead, they
focused on the organization of responsibilities within the
Scottish Office itself. At that time, the Scottish Home
Department handled the Secretary of State's non-statutory
duties with respect to the economy and maintained general
contact with Whitehall departments concerned with trade and
industry. The committee argued that the existing distri-
bution of duties among the Scottish departments was not well
suited to promote the coordination of activities relating to
economic development. To strengthen the administrative

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[76] Supra., p.12

[77] An interesting historical parallel can be found in
the views of the 1954 Royal Commission on Scottish Affairs,
(op. cit.)- which considered the whole question of devolution.
The Royal Commission concluded that economic integration was
too great to justify a separation, and that the existing
arrangements constituted as efficient a division of functions
as could be devised, given the considerable degree of common
interest between England and Scotland.

machinery they proposed the reorganization of Ministerial
duties within the Scottish Office.[78]

In June 1962, such a reorganization created the
Scottish Development Department. The new department brought
together those of the Secretary of State's functions most
closely related to the physical and environmental development
of Scotland - town and country planning, roads, housing,
water and sewerage, clean air, electricity and general local
government administration.[79] Thus, within one department,
organized on a geographic basis, were concentrated a variety
of responsibilities which in Whitehall were scattered among
several departments.[80] The potential for a high degree of
coordination in the Scottish Office's approach to economic
development was therefore built into the administrative
machine. Because of the major role of the Scottish Develop-
ment Department in the implementation of regional development -
largely through its responsibilities for provision of infra-
structure and its close working relations with local authorities -

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[78]
A number of senior officials from both Whitehall and
Scottish departments sat on the Committee of Inquiry as
assessors, and it is likely that the proposed reorganization
reflected, or at least was not inconsistent with, their views.

[79]
These responsibilities were previously discharged by
the Scottish Home and Health Departments.

[80]
The comparable responsibilities involved nine English
Ministries according to John Mackintosh, The Devolution of
Power, Harmondsworth, Penguin Books, 1968, p.102

a brief outline of the Department follows. A few
significant policy changes affecting its operations are
also noted.

The main divisions of the Department are Water and
Sewerage, Housing, Roads and Physical Planning.[81] The
Water and Sewerage Division is "responsible for promoting
the provision of adequate water supplies and is also the
central department in matters of sanitation,"[82] but the
local authorities actually provide these services with
grant assistance provided under several statutes. The
Division's relations with local authorities with respect to
the provision of water were considerably simplified in 1968
when the functions of all 199 local water authorities were
transferred to 13 new Regional Water Boards.[83]

The Department's Roads Division is responsible for the
construction, improvement and maintenance of trunk roads
and for the allocation of grants to local authorities for
road construction and improvement. Since the introduction
of a general rate support grant in 1967,[84] direct grants are

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[81]
      There is also a Local Government Division which is
concerned with general aspects of local government adminis-
tration and finance.

[82]
      Scottish Office, Scottish Administration, a Handbook
prepared by the Scottish Office, Edinburgh, HMSO, 1967, p.16.

[83]
      Under the provisions of the Water (Scotland) Act, 1967.

[84]
      Under the provisions of the Local Government (Scotland)
Act, 1966.

available only for "principal roads," whereas previously

there had been three grades of classified road with grants

for each. This is mentioned because, as indicated in the

later examination of certain growth areas, the new system

has apparently caused financial difficulties for some local

authorities.

The Housing Division administers the Housing (Scotland)

Acts in cooperation with the local authorities, and gener-

ally oversees housing in Scotland. It is responsible for

approving the housing proposals of local authorities and
                                                          85
for distributing available subsidies. A 1965 White Paper

emphasized industrialized building methods, closer co-

ordination of local authority housing programmes, including

the use of "consortia", and the preparation by the local

authorities of five year forward housing plans. More

recently (October 1967), Housing Progress Officers were

appointed by the Department to improve liaison with local

authorities in the formulation and implementation of housing
         86
programmes.

The work of the Planning Division of the Scottish

Development Department is especially important, and largely

85
        The Scottish Housing Programme, 1965 to 1970, Cmnd.2837,
Edinburgh, HMSO.,1965.

86
        Scottish Office, Scottish Development Department,Report
for 1967, Cmnd.3553, Edinburgh, HMSO,1968, p.28

involves the Secretary of State's responsibility for approving (or modifying or rejecting) all development plans, amendments and quinquennial reviews submitted by the local planning authorities. This task puts the Planning Division somewhat in the position of overseeing the activities of the other divisions of the department[87] - in the sense that physical planning presumably provides a framework for the allocation of roads, housing and water and sewerage in an area. Of particular significance in relation to economic development are the Planning Division's responsibilities for approving the erection of industrial buildings by local authorities and for advancing money to local authorities for the erection of industrial buildings.[88] This, plus the responsibility for physical planning, clearly makes the Planning Division's relations with the Regional Development Division very important.[89] Finally, the Division is also

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[87] Although it has been given no official powers in this regard. Whatever coordination is achieved derives from the informal personal contacts permitted by the small sale of operations and physical proximity of St. Andrews House.

[88] These local authority powers are outlined below.

[89] In this connection it is worth recalling that while the Regional Development Division was at one time part of the Scottish Development Department, it was given separate status to facilitate the performance of its duties as advisor to the Secretary of State and secretariat to the Scottish Economic Planning Board and Council. Whether this change produced, at the same time, a harmful separation of physical and economic planning is discussed later.

responsible for the administration of the New Towns Acts.

Relations between the Planning Division and local planning authorities have been considerably altered by the enactment of the Town and Country Planning (Scotland) Act 1969, although the impact of this new legislation will be felt after the main time period of this study, particularly since the Act is to be brought into operation area by area by ministerial order. The main feature of the legislation is the introduction of a new type of development plan. In place of the emphasis on detailed land use allocations which has prevailed since the 1947 Town and Country Planning (Scotland) Act, the local authorities will prepare a "structure plan" for submission to the Secretary of State. This plan will be based on a survey emphasizing economic characteristics, communications, transport and traffic and it will "have regard to current regional policies."[90] The plan will deal with the major changes to be brought about without going into details of individual site developments. Within the framework of an approved structure plan the local planning authority will then prepare a "local plan" filling in the details. The local plan will normally be adopted by the local planning authority without submission to the

[90]
  Scottish Development Department, Report for 1969, Cmnd.4313, Edinburgh, HMSO, 1970, p.30.

Secretary of State, although he may call it in.[91] Thus, the new approach involves the introduction of greater economic guidelines in the physical planning exercise, and a significant delegation of responsibility from the Secretary of State to local planning authorities.[92]

The Scottish Special Housing Association

Before leaving the examination of Scottish Office machinery, brief mention should be made of the Scottish Special Housing Association. Established in 1937, the Association's original mandate was to erect houses for the working classes, thereby supplementing the housing efforts of local authorities and relieving them of the huge rate burden entailed by municipal housing.[93] In 1957 the Association was empowered to build houses for overspill families from Glasgow in areas where the local authority had concluded overspill agreements with Glasgow Corporation. However, with the increasing awareness of the importance of housing in economic development and of the limitations on the provision of housing for industry by local authorities, 1966 saw a

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[91] Ibid., p.31

[92] For a general description of the new legislation see Scottish Development Department, Report for 1969, op.cit.,and Local Government Handbook, Scotland, The Labour Party, 1969.

[93] Glasgow Herald, November 8th, 1967.

significant shift in the role of the Scottish Housing

Association. It became increasingly concerned with providing

houses for the economic expansion of Scotland rather than

assisting local authorities with their general needs. To

this end, the Association developed a programme of what

might be termed "advance housing", with the intention of

having adequate accommodation available when required by

new and expanding industry. While not without difficulties

(as indicated below) this new role for the Association was a

commendable attempt to adapt administrative machinery to deal

more effectively with problems of economic development.

94
The Local and Regional Level

Scottish Local Authorities

While they existed long before the emphasis on regional

development, and serve a wide variety of purposes, local

authorities merit inclusion in any outline of regional devel-

opment machinery. The important role played by local auth-

orities was clearly spelled out by the Regional Development

Division in their evidence to the Select Committee on

94
It will be recalled that for the purpose of this
study and particularly for comparisons with Ontario, Scotland
is considered as the intermediate tier in a three tier system.
The regional level is between the Scottish Office and the
local authorities.

Scottish Affairs.[95]

> They are indeed the principal agencies for
> improvement of the social environment generally,
> by comprehensive redevelopment, slum clearance,
> removal of dereliction, etc. They also now have
> certain powers to promote industrial development:
> they can build advance factories to attract in-
> coming industry; they can make loans to industrial-
> ists under certain conditions; they can help industry
> by providing facilities such as access roads, water
> and drainage; and they can provide housing for in-
> dustrial workers. Most important of all, they have
> the primary responsibility, as planning, housing,
> roads and education authorities, of making possible
> the implementation of the plans for economic devel-
> opment within their areas by identifying, zoning,
> acquiring or making available to other developers,
> the land needed for the physical infrastructure to
> support economic development.

It should be noted, of course, that in the exercise

of this impressive list of responsibilities the local author-

ities are subject to varying degrees of supervision and control

by the Scottish Office. Moreover, any powers they do exercise

must be expressly authorized by statute, and these powers can

be at any time modified or even abolished by Parliament. While

that is the legal position, in practice local authorities enjoy

a certain amount of autonomy. Even if the necessary legal

authority is vested in the Scottish Office, forcing local

authority compliance may have political limitations. In

other words, a workable relationship between local authorities

and the Scottish Office depends upon a certain amount of good

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[95]
S.C.S.A., Minutes, 397, pp.5-6.

will and mutual agreement. Given this situation, and the range of relevant responsibilities exercised by local authorities, their potential contribution to regional development is significant and cannot be taken for granted. To further illustrate this fact, a few of the more important local authority responsibilities are outlined briefly below.

The impact of local government activities on regional development is perhaps most direct and most obvious in relation to the attraction of industry. It is possible for vigorous and imaginative local authorities to enjoy considerable success in attracting industrial development to locations which may or may not reinforce the growth pattern desired by the Scottish Office.[96] In this connection several statutory powers are given to local authorities, subject to approval and/or borrowing consent from the Scottish Development Department. Local planning authorities have been empowered to erect buildings for industrial purposes since 1945. The same powers are also available to a local authority which is not a planning

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[96] In the latter case, the provision of infrastructure may have to be adjusted to take account of a settlement pattern not originally contemplated. This may also mean that anticipated growth elsewhere has not materialized, with consequent under-utilization of the infrastructural investment at least in the short run. An example of this general situation will be found in the examination of the Greater Livingston growth area, wherein the small burgh of Whitburn has expanded much more than the Lothians Plan intended.

authority in respect of land included in a Town Development

Scheme under 1957 legislation. More recently, similar

powers were extended by the Local Government (Development

and Finance)(Scotland) Act, 1964, to local authorities not

covered by other statutory powers. In addition, this

legislation gave local authorities discretionary powers to

advance money for the purpose of enabling the person to whom

they have disposed of land to erect buildings on that land.

Here again, however, there is Scottish Office control in

that borrowing consent would normally be required and would

be conditional on the local authority meeting certain specified

conditions.[97]

It is interesting that 1964 legislation extended to all

local authorities the power to erect buildings and make loans

for industrial purposes less than twelve months after the

adoption of a growth area policy for Central Scotland. Such

a change could only weaken the selective approach to develop-

ment inherent in the growth area programme. The one explanation

of this apparent conflict offered to the writer was that the

implementation of a growth area policy appeared less discrimin-

atory if all local authorities at least had certain powers to

attract industry on their own behalf.

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[97] Scottish Development Department Memorandum No. 84/1967

One of the most important functions exercised by local authorities, not least because of its relation to other local government activities, is physical or land use planning. County councils (31 in number), large burghs (21) and the town councils of St. Andrews and Thurso are the local planning authorities. They are required by law to carry out a survey of their area and to submit, for the Secretary of State's approval, a development plan for the whole of it.[98] They are also required to keep the plan under continuous review. Since land uses incompatible with an approved development plan can-not legally proceed,[99] the local planning authority's willing-ness to modify development plans where required is essential to the implementation of a regional development programme.[100]

Since clearance of derelict land and general rehabil-itation received considerable emphasis in Scottish regional

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[98]
Subject to the new emphasis being progressively intro-duced under the Town and Country Planning (Scotland)Act, 1969, described above.

[99]
With the exception that the Secretary of State may issue a "directive" under Article 8 of the 1950 General Development orders which gives permission to develop for items which may not be in complete conformity with the development plan. The effect of these directives is then "covered" by appropriate amendments at the time of the quinquennial reviews.

[100]
A good example is provided by the setback of the Central Borders Plan discussed later in the study.

101
programmes, the responsibilities of local authorities

in this regard are important. The 1963 Local Employment

Act had increased to 85% the Board of Trade grants avail-

able for local authority clearance programmes in Develop-

ment Districts. Two changes in 1966 broadened somewhat

the scope of the financial support and, more importantly,

increased the role of the Scottish Office in promoting

rehabilitation. First, the Industrial Development Act

transferred the previous Board of Trade responsibility for

determining whether or not sites were derelict to the

Scottish Development Department. In addition, the require-

ment that it should be known that the site was to be derelict

for a considerable period was waived, and the criteria re-

quiring Board of Trade approval was redefined. Secondly,

the Local Government (Scotland) Act, 1966 gave the Secretary

of State power to pay 50% grants in support of clearance

schemes (which do not qualify for assistance under the

Industrial Development Act) either inside or outside Develop-

ment Areas and without reference to the Board of Trade.

101
    For example, the summary of principal measures to be
taken in the 1963 White Paper on Central Scotland indicated
that (p.9) "more money will be spent on 'face-lifting' those
industrial areas in Central Scotland where an attack on squalor
and decay must be made before there can be extensive new
growth."

While historically regarded as a social responsibility,
the importance of housing in relation to economic development
has become increasingly apparent. With over 40% of the total
housing stock in Scotland,[102] the local authorities have a major
role to play. However, with the responsibility for housing
divided between small burghs, large burghs and counties in
landward areas there are over 230 local housing authorities in
Scotland. The fact that most local authorities have a waiting
list for council houses and that eligibility is based on at
least a limited local residence requirement seriously inhibits
the mobility of labour in Scotland.[103] Yet such mobility is
central to the growth area approach adopted in 1963, which
accepts and indeed encourages the movement of population within
a region (to certain selected growth points) as preferable to
loss of population from the region.

From the above outline it should be apparent that local
authorities have a significant role to play in the implement-
ation of regional development. Moreover, because the areas
adopted as the basis for regional planning in Scotland have,
for the most part, embraced a number of local authorities,

102
     Scottish Office, Royal Commission on Local Government
in Scotland,1966-1969,Report, Cmnd.4150, Edinburgh, HMSO,1969,
p.104. (Hereafter Wheatley Report).

103
     That is, a person might be very near the top of the
waiting list in his local authority, but would have to start
again at the bottom of the list if he moved to a different
(even neighbouring) local authority.

the pursuit of a regional development programme has called
for cooperation not only between the local authorities and
the Scottish Office, but also (and perhaps even more
difficult) between neighbouring local authorities. In
response to this problem, some administrative machinery has
been established at the regional level - that is, between
the Scottish Office and the local authorities. The bodies
briefly described below are not an exhaustive list but in-
clude particularly machinery which is examined in subsequent
research.

Joint Working Parties of Local Authorities and the Scottish Office

Where a concerted effort involving a number of local
authorities and the Scottish Office has been desired, the
most popular administrative response in the 1960s appears
to have been the creation of joint working parties, com-
prising official representation from the constituent local
authorities together with Scottish Office personnel. This
approach has been particularly prevalent in Central Scotland,
first in the establishment of growth area working parties in
the months following publication of the 1963 White Paper, and
then in the creation of a number of land use working parties
in the mid-1960s, especially concerned with the planning of
a larger volume of overspill from Glasgow. Both of these
types of working party are examined later in the study.

Economic Planning Consultative Groups

In contrast to the 1963 White Paper's focus on Central
Scotland, the 1965-70 Scottish Plan gave particular emphasis
to the remainder of the country, which it considered as five
regions - the Highlands and Islands, the North East, Tayside,
the Borders and the South West. To facilitate the implement-
ation of regional plans for these regions (except the Highlands
& Islands, where particular problems called for a different
administrative response, outlined below) the Scottish Plan
proposed the establishment of consultative groups.[104] Over the
next twelve months four such groups were established. With
members appointed from a variety of local interests[105] and with
the objective of providing constructive criticism and suggest-
ions which might not otherwise be available to the Government,
these groups have been essentially miniature economic planning
councils. In fact, they have been serviced by the Regional
Development Division and there has been a member of the Scottish
Economic Planning Council on each group to provide liaison. The

[104]
"Widespread understanding of the Government's plans, and
close cooperation by all concerned in their executions will be
needed. For this purpose, representative groups will be formed
for consultations relating to particular areas." The Scottish
Economy 1965 to 1970, p.vii.

[105]
While appointed by the Secretary of State, "membership....
has been based largely on nominations from Chambers of Commerce,
trade unions, local authorities and other organizations."
Scottish Information Office, Scottish Economic Development,Quarterly
Report, Edinburgh, HMSO., June 1966, p.2.

study of development in the Borders (Chapter Four) provides

an insight into the work of one consultative group.

In addition to the joint working parties of officials

and the consultative groups, direct participation of the

local elected representatives has been achieved in some areas

[106]

through the establishment of Joint Planning Advisory Committees.

More recently, even stronger local authority cooperation appears

forthcoming through the establishment of bodies such as the

North East Scotland Development Authority (NESDA), set up in

1970. With representatives from the five local planning author-

ities in the region (the four counties plus Aberdeen) and a

Development Officer and supporting staff, NESDA hopes to foster

a regional approach to the attraction of industry.

Since the election of the Conservative Government in

June 1970 increased emphasis has been placed on participation

by local elected representatives and the role of the four

economic planning consultative groups has been re-examined.

Apparently the Scottish Office intend to phase out the con-

sultative groups as Development Authorities and other joint

local authority bodies are formed. [107] According to statements

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[106]
    For example, there are several references to such a
Committee in the Greater Livingston growth area activities,
outlined in Chapter Three.

[107]
    Interview, June 9th, 1971

by the Secretary of State for Scotland, the present Conservative
view appears to be that the main role of the consultative groups
was to encourage local authority cooperation until local govern-
ment reform could be achieved.

> The Groups have already done valuable work in
> helping to pave the way for the creation of
> effective cooperation between the local planning
> authorities and the creation of Executive Regional
> Agencies for planning and promotion. I regard
> this as their main role, especially as regional
> cooperation of this kind is so valuable in the
> context of the prospective reform of local govern-
> ment. [108]

In this connection it might be noted that the Conservative
Government have published a White Paper [109] outlining their
proposals following the Report of the Royal Commission on
Local Government in Scotland. However, the nature and im-
plications of the proposed reform of local government are
considered later in the study.

One other Conservative innovation should be mentioned in
the context of the consultative groups. The lack of a con-
sultative group for Central Scotland has aroused some concern
and criticism. For example, the Select Committee on Scottish
Affairs probed this question rather thoroughly [110] and did not

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[108]
    H.C.Debates, 809 (1970-71), written Answers, c.290

[109]
    Secretary of State for Scotland, Reform of Local
Government in Scotland, Cmnd.4583, Edinburgh, HMSO, 1971.

[110]
    S.C.S.A.,Minutes,397, pp.106-114.

appear fully convinced by the explanation that the Scottish
Economic Planning Council itself acted as the consultative
group for Central Scotland. In the absence of any regional
body, prolonged and rather unproductive attempts were made
to encourage the constituent local authorities into cooper-
ative action, notably through the Clyde Valley Planning
Advisory Committee in the case of the authorities in West
Central Scotland. In September 1970 the new Conservative
Secretary of State for Scotland set up the West Central
Scotland Plan Steering Committee. Its 48 members are repre-
sentatives of the Scottish Office, local authorities and
economic expertise in the region. With a budget of up to
£100,000 per annum and a permanent team of experts (A West
Central Scotland Plan Steering Group of Scottish Office
personnel has been seconded to work under the direction of
the Committee), the Plan Steering Committee is expected to
prepare a plan which will serve as a guide to local planning
authorities in preparing their development plans.[111]

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[111]
    See Scottish Development Department, Report for 1970,
Cmnd.4625, Edinburgh, HMSO.1971, p.13

The Highland and Islands Development Board

While the Board's operations have not been examined,[112]
it is mentioned here because it illustrates a quite differ-
ent approach to the problem of providing regional machinery.
On the grounds that the difficulties faced by the Highlands
and Islands were "so different in kind from those of the
rest of Scotland",[113] the Board, established November 1st, 1965,
was given executive powers including the right to provide
grants and loans. In 1968 it was also authorized to acquire
by agreement shares and stocks in companies operating in the
Highlands.

The Board consists of four full time and three part-time
members appointed by the Secretary of State, to whom they
report. While initially associated with the Department of
Agriculture and Fisheries, since 1968 the Board has come
under the Scottish Development Department from whom it receives
its finances in the form of a grant in aid. It is backed by a
Highlands and Islands Consultative Council of twenty members
appointed by the Secretary of State to represent the various
interests in the area and provide advice to the Board.

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[112]
For an analysis of the Board which is particularly
interesting in the context of this study because of its com-
parisons with Canada, See Jim Lotz,"Regional Planning and Dev-
elopment in the Highlands and Islands of Scotland",Canadian
Public Administration, Fall 1969, Vol.XIII, Number 3, pp.372-386.

[113]
S.C.S.A.,Minutes,397, p.5

Summary: The Administrative Framework

As the intermediate tier in a three-tiered system in which the relevant responsibilities are widely scattered, it is clear that Scotland's ability to pursue regional development depends upon the adequacy of the administrative arrangements for coordinating the exercise of these scattered responsibilities. In the period under study, the key administrative arrangements [114] took the form of the Scottish Economic Planning Board, intended to coordinate the activities of Whitehall and Scottish departments; the Regional Development Division, whose responsibility for general economic planning supposedly provided a framework for the deliberations of the Scottish Economic Planning Board and for the varied regional initiatives being undertaken in several areas of Scotland; the Scottish Development Department, which embraced most of the Scottish Office responsibilities relating to regional development; and the joint working parties designed to bring about cooperation among local authorities and between local authorities and the Scottish Office.

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[114]
While there were other administrative responses, they were less directly involved. For example, the Scottish Economic Planning Council and the four consultative groups are less relevant because their main role (in practice, if not officially) lay in providing advice and reflecting the views of constituent interests, and they were therefore less directly involved in the implementation of regional development.

The following four chapters describe a number of Scotland's experiences in pursuing regional development in the 1960s. Particular attention is given to the adequacy of the administrative machinery involved. Thus the performance of joint working parties is thoroughly examined in a study of the 1963 growth areas (Chapter III) and, to a lesser extent, in a discussion of the out-county estate programme of Glasgow overspill (Chapter V). The outline of developments in the Central Borders (Chapter IV) illustrates the importance of local authority cooperation and casts some light on the functioning of the Central Borders consultative group. These studies also provide some insight into the effectiveness of the Scottish Economic Planning Board and the Scottish Office, especially the Scottish Development Department. Finally, an assessment is made (Chapter VI) of the performance of the administrative machinery examined.

CHAPTER III

THE IMPLEMENTATION OF THE 1963 GROWTH AREA PROGRAMME

In addition to being the major regional development
initiative in Scotland in the 1960s, the adoption of the
1963 growth area programme raised a number of implications
for the operation of existing government machinery. As
outlined below, the implementation of such a programme
requires a high degree of inter-governmental and intra-
governmental coordination.

The Administrative Implications of Growth Area Policy

As previously outlined, Scotland's efforts to pursue
regional development can be affected by the actions taken by
a number of Whitehall departments. During the period under
study the Board of Trade was of particular significance because
of its steering of industry activities. With the adoption of a
growth area policy these activities could either reinforce or
dilute the selective focus on eight growth areas in Central
Scotland. At the same time, it can be argued that if the
designated growth areas were wise choices, that is, if they
were the areas with the greatest growth potential, then they
should prove attractive to incoming industry in their own right.[1]
This would mean that as long as the Board of Trade was fairly

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[1]
    Essentially the same point is made by Allen and MacLennan,
op.cit., p.316

neutral in its promotion of areas within Scotland the growth areas would show the greatest success in attracting incoming industry. Such appears to have been the case with at least some of the growth areas selected in 1963.[2] The significant thing about this situation is that it lessens the Scottish Office's dependence on the activities of a Whitehall Ministry. In contrast to, for example, the Development District policy of the early 1960s under which the Scottish Office had to rely almost entirely on the Board of Trade, both for the areas of Scotland designated and for the amount of special emphasis these areas received, the growth area policy requires only a neutral posture from the Board of Trade.

On the other hand, because of the emphasis on infra-structural build up inherent in a growth area policy, the Scottish Office's relations with the Treasury become very important. This involves not only the total amount of money available to Scottish departments but also, and more significantly, the extent to which Scottish expenditures are permitted to reflect different priorities than those of the English Ministries.[3] The latter determines Scotland's ability to pursue distinctive regional policies through the emphasis of the infrastructural expenditures.

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[2]
  Supra, p. 36

[3]
  For example, whether Scotland can spend proportionately more than England on housing or roads and less on agriculture or health services.

The growth area policy's emphasis on infrastructure also enhances considerably the role of local authorities. The planned provision of roads, water and sewerage and housing, for example, implies the coordination of activities of all local authorities within a growth area. This coordination is especially important with respect to the provision of housing because of the growth area policy's emphasis on mobility of population. In addition, unless some restraint is exercised, local authority efforts to attract industry can distort and undermine the desired selective pattern of development.

Both of the comprehensive studies undertaken in growth areas, The Lothians and Grangemouth/Falkirk Plans, recognized and stressed the importance of effective administrative machinery. Thus, the Lothians Plan noted that:[5]

> The plans for the development of Central Scotland
> as well as this area presuppose that the Government
> will create, or has created, the necessary admini-
> strative framework to play its part by coordinating
> the thoughts and efforts of all concerned, including
> a number of Government departments, to foster growth
> areas.

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[4]
Scottish Development Department, The Lothians Regional Survey and Plan, prepared for the Scottish Development Department and the Midlothian and West Lothian Joint Planning Advisory Committee, Edinburgh, HMSO, 1966, (Hereafter, Lothians Plan) and Scottish Development Department, The Grangemouth/Falkirk Regional Survey and Plan, prepared for the Scottish Development Department and the Stirlingshire, West Lothian and Falkirk Joint Planning Advisory Committee, Edinburgh, HMSO, 1968, (Hereafter, Grangemouth/ Falkirk Plan).

[5]
Lothians Plan, p.249

They further specified the need for three pieces of administrative machinery. First, ad hoc machinery for consultation between local authorities with a view to consistency in the planning objectives enunciated in their Quinquennial Review. Secondly, a permanent planning advisory Committee of elected representatives from each local authority and representatives from Livingston, supported by a standing body of officials. These bodies would be charged with coordinating the planning of the region. Finally, some sort of clearing house arrangement with respect to industrial development to overcome, or at least reduce, parochial, self-defeating competition for industry.[6]

In similar fashion, the Grangemouth/Falkirk Plan stressed that "without an administrative reorganization we consider that the proposals for development we put forward here will proceed only very haltingly."[7] They further noted that "powers relating to planning, the attraction of industry, education, housing and roads must be exercised in a uniform way in the interests of the area as a whole."[8] If their recommendation for a single local government for the area was not attainable, they expressed

[6] Ibid., pp.249-51

[7] Grangemouth/Falkirk Plan, p.15

[8] Ibid., p.15

the hope that "it might be possible with the agreement of
(Stirling County and Falkirk) and the support of the Scottish
Office, to create a planning team to develop the urban core
of the area in one harmonious and integrated plan, though
the implementation of the proposals would raise real diffi-
culties."[9]

In addition to emphasizing the harmful effects of excess-
ive competition for industry by local authorities within a
growth area, both Plans stressed the importance of a coordinated
approach to the provision of housing. Thus, the Grangemouth/
Falkirk study, in summarizing the main points of the Lothians
Plan applicable to their area, quoted the latter as follows:
"If there are a number of local authorities within an area which
functions in many respects as a single economic unit, and they
set up house-letting regulations which do not permit free
transfer between the authorities in the area, this cannot be in
the interests of the region."[10] This viewpoint was endorsed as
even more valid in Grangemouth/Falkirk, "where substantial auth-
orities live cheek by jowl with each other: The Area needs
complete flexibility of housing interchange for local authority
housing. Welcoming outsiders and giving them house room is an
essential, if not the essential, part of the growth area concept."[11]

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[9] Ibid.,p.15

[10] Ibid.,p.5

[11] Ibid.,p.5

The Scottish Office Response

Notwithstanding this apparent need for special administrative arrangements, the 1963 White Paper provided no new machinery for implementing the growth area policy. It did indicate that "the local authorities affected by the major projects in progress will now be consulted by the Secretary of State on the specific scheme affecting their areas and will be invited to cooperate fully in the consequential detailed planning which will be entailed."[12] However, in its only explicit reference to administration, the White Paper simply noted that "The Scottish Development Group, representing all the major Government Departments concerned, will continue in being both to phase and coordinate the execution of this Development programme and to extend their present surveys to other parts of Scotland."[13] However, a speech by Sir Douglas Haddow (then Secretary of the Scottish Development Department) in early 1964[14] indicated the Government's awareness that special administrative machinery was needed in the growth areas. Noting that considerable executive responsibility for building up growth areas rested with the local authorities, he stated that:[15]

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[12] Central Scotland, p.40

[13] Ibid., p.10

[14] An address to the Edinburgh and East of Scotland Regional Group of the Royal Institute of Public Administration, published as "The Administration of Redevelopment", Public Administration, Autumn, 1964.

[15] Ibid., p.249

It is essential to develop all the necessary
services so that they match one another in
time; for example, it is no use building the
houses if the roads - including the trunk
roads which are the responsibility of central
government - are not ready; and neither houses
nor factories are of any use if adequate water
supplies are lacking.

In response, Sir Douglas explained, the Scottish Office
had assembled a team of officials "who can speak for all the
services that are either the responsibility of central govern-
ment or need central government sanction."[16] They were also
inviting the authorities concerned in each growth area to
assemble teams covering all the services which the authorities
had to provide. In his words, "the idea is that the central
team and the various local teams will have regular meetings,
and sort out on the spot points that might otherwise involve
correspondence, complex because of the number of interests
involved, and for that reason - as well as human frailty -
likely to be less than swift in reaching conclusions."[17] It
might be noted that while Sir Douglas stressed the need for
coordinating the provision of services in growth areas as the
rationale underlying the establishment of joing working partiés,
his only specific reference to the purpose of this new machinery
fell rather short of such a coordinating role. Indeed, one of

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[16] Ibid., p.250

[17] Ibid., p.250

the difficulties in assessing the performance of the joint

working parties is determining what objectives they were

expected to achieve.

1964 saw the establishment, through Scottish Office

initiative, of growth area working parties in Greater

Livingston, Central Fife, North Lanarkshire and Vale of

Leven. In all cases they were joint teams of officials

appointed by the Scottish Office and the constituent local

authorities, together with representation from a few White-

hall departments, notably the Board of Trade and, later, the

Department of Labour. A fifth working party, for Grangemouth/

Falkirk, was finally established in 1969.[18] However, this

body differs from the earlier working parties in certain

important respects. While the others were chaired by the

Scottish Development Department, the Grangemouth/Falkirk work-

ing party is chaired by the Falkirk town clerk and meets at the

behest of the area's Joint Planning Advisory Committee. No

working parties were ever established for Irvine, East Kilbride

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[18]
Ostensibly, the information of the Grangemouth/Falkirk
working party was delayed until completion of the study of
the area - not published until mid-1968. However, a more
telling factor appears to have been the friction and history
of conflicts among the various local authorities in the area.
As the Grangemouth/Falkirk Plan itself noted, "We have not
thought it necessary to reproduce the history of the inter-
changes between these various authorities on the planned
development of the Area but, especially in the case of relations
between Grangemouth and Stirling County, discussions have been
far from harmonious." op. cit., p.14

or Cumbernauld,[19] although the latter two were briefly

associated with the North Lanarkshire growth area working

party. The Government apparently felt that the fact that

these areas were new towns (although Irvine was not so

designated until 1965) provided sufficient focus without

additional administrative machinery. Moreover, since these

three growth areas encompassed essentially the new towns and

very little surrounding land, there was not the same problem

of coordinating the activities of a number of local author-

ities as was faced by the other growth areas.

After some preliminary research it was decided to

analyze the experiences of three of the growth areas - Greater

Livingston, Central Fife and North Lanarkshire (See Map 1).

As will be seen, the first of these appeared to have been the

most successful both in terms of actual physical progress

"on the ground" and in the substantive nature of the working

party deliberations. On this basis, North Lanarkshire appeared

the least effective,[20] while Central Fife fell somewhere in

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[19]
Both Irvine and Cumbernauld were members, respectively,
of the Ayrshire and Stirlingshire land use working parties
established in the mid-1960s to consider the accommodation of
increased Glasgow overspill, but these bodies should not be
compared with the growth area working parties.

[20]
In fact, the Vale of Leven was even less successful, and
its working party ceased to meet even before that of North Lanark-
shire. However, the Vale of Leven was probably the least approp-
riate of the growth areas chosen in 1963, with very little land
suitable for expansion. Moreower, as will be seen, analyzing the
North Lanarkshire growth area working party permits an interest-
ing comparison when the deliberations of the Lanarkshire land
use working party are described in a subsequent section.

CENTRAL SCOTLAND

MAP 1
GROWTH AREAS

SCALE OF MILES

0   5   10   20   30   40   50

FIRTH OF CLYDE

AYR

IRVINE

KILMARNOCK

EAST KILBRIDE

GLASGOW

VALE OF LEVEN

NORTH LANARKSHIRE

CUMBERNAULD

STIRLING

LIVINGSTON AREA

LIVINGSTON

FALKIRK
GRANGEMOUTH

EDINBURGH

CENTRAL FIFE

GLENROTHES

FIRTH OF FORTH

PERTH

DUNDEE

N
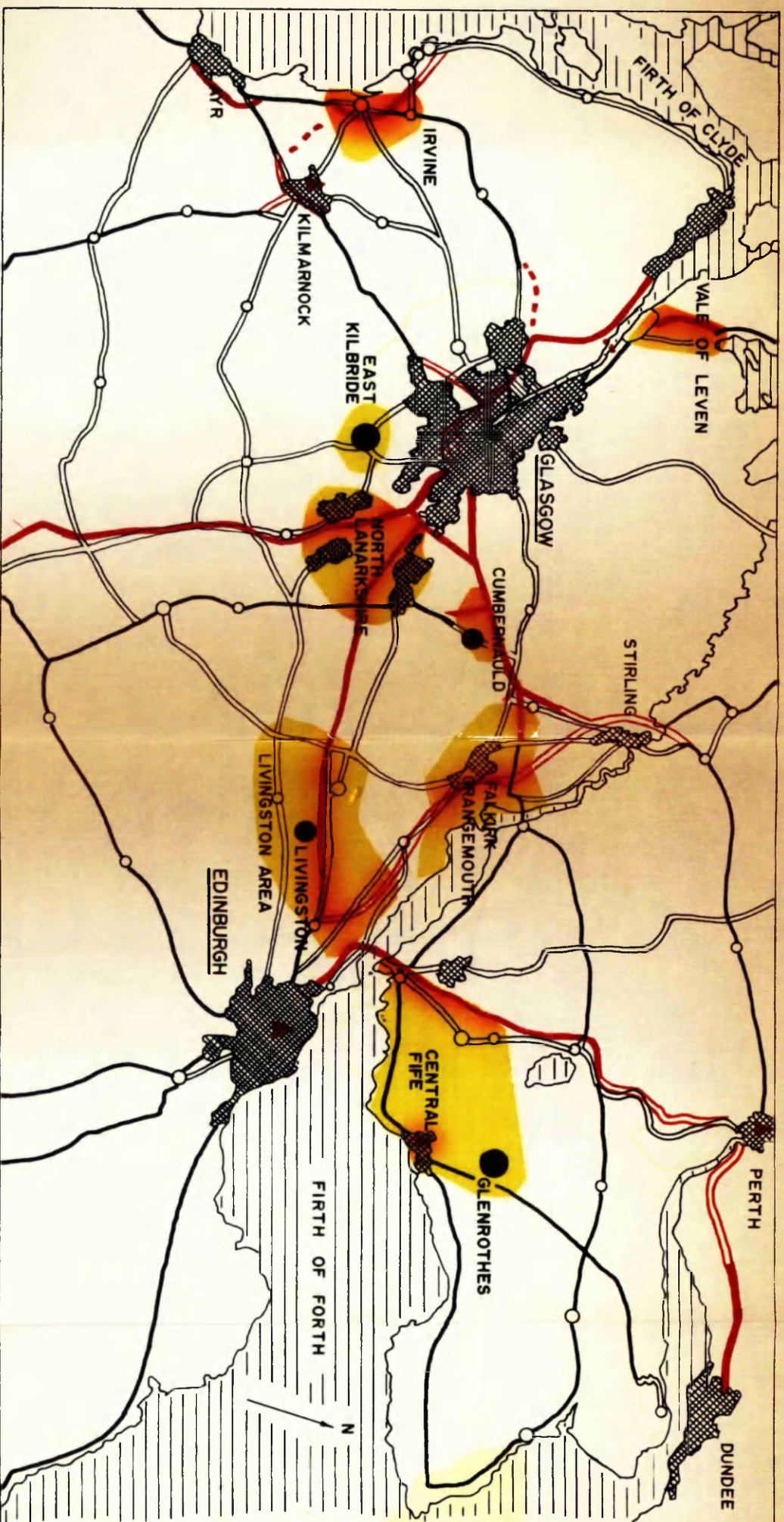
between, with few tangible achievements, although a working party continued to meet and toward the end of the 1960s embarked on the preparation of a regional land use plan.

The Experience of Three Growth Areas

The description of each growth area begins with a brief reference to the area itself and its constituent authorities. This is followed by a summary of the deliberations of the working party from its inception until 1970,[21] (or its earlier demise in the case of North Lanarkshire). The main purpose of these summaries is to highlight the main issues under consideration and to indicate the relative strengths and shortcomings of the working party machinery. To a lesser extent the summaries also provide some insight into achievements in these three growth areas during the 1960s.[22] This is of interest given the uncertainty about the Government's commitment to growth areas in the second half of the decade. A number of participating local officials were interviewed for their views on the working

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[21] As previously stated, for most purposes this study covers the period up to the June 1970 election of a Conservative Government. A few significant developments after this time are also briefly noted.

[22] This is especially so in the case of Greater Livingston where, as outlined below, a detailed Progress Report was prepared comparing achievements in the area with the expectations of the Lothians Plan.

party machinery.[23] This information forms part of the general analysis of the performance of the working party which concludes the description of each of the three growth areas. A final assessment of the working party machinery, and the conditions under which it is most likely to be effective, is reserved to the concluding chapter on the adequacy of administrative machinery in Scotland.

A - The Greater Livingston Growth Area

The Greater Livingston growth area is situated approximately mid-way between Glasgow and Edinburgh. The focal point of the area's future expansion is the new town of Livingston. As will be seen, the fact that the new town straddles the counties of Midlothian and West Lothian (although the bulk of it is in the latter) gave rise to considerable difficulties over administration and cost sharing. Most of the growth area falls within West Lothian and includes a number of small burghs such as Bathgate, Armadale and Whitburn. The record which follows reveals that the proposed concentration of growth on Livingston New Town did not sit well with some of these burghs

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[23] The local officials were also asked about their relations with the Scottish Office and the Board of Trade and whether there had been any discernible change in these relationships following the growth area designation. Their views on these questions are outlined later, as part of the general assessment of Scotland's administrative machinery in the concluding chapter.

with ambitious expansion plans of their own.

Before assessing the performance of the Greater
Livingston growth area working party, several policy and
administrative developments, some predating the growth
area designation, should be noted.

Probably the most significant factor was the Govern-
ment decision, in 1962, to create a new town at Livingston.
As recommended by the legislation authorizing this new
town,[24] the Secretary of State commissioned (in May, 1962)
a team of consultants to prepare a physical and economic
survey and plan of the "Lothians Region" - i.e. the proposed
new town and an area of eighty square miles surrounding it.
Thus by the time the Greater Livingston growth area was
designated in November 1963, the Government was committed
to the development of a new town in its midst, and the
economic growth of the area was under study.

Several other factors also contributed to a strong
Government interest in the development of this particular
area. Only a few years before, distribution of industry
policies had been used to "encourage" the establishment of
a large BMC factory within the area, near Bathgate. Moreover,
several important projects for modernizing the infrastructure
of the area were by this time well advanced - notably the

24
    Secretary of State for Scotland, "Draft New Town
(Livingston) Designation Order, 1962", Edinburgh, HMSO.

improvement of the A8 between Glasgow and Edinburgh, and the construction of the new Forth Road Bridge a few miles to the North East. Given this situation, neither the designation of Greater Livingston as a growth area, nor its subsequent success, is particularly surprising.

The local authorities in the area also had some experience with joint administrative machinery before their inclusion in a growth area. Earlier in 1963, a Joint Planning Advisory Committee consisting of representatives of the counties of Midlothian and West Lothian and of the Livingston Development Corporation, with observers from the Scottish Development Department, was established to ratify the Consultants' terms of reference for the Lothians Study. A Lothians Regional Survey and Plan Technical Committee was also established to consider technical problems associated with the preparation of the plan and the development of the new town. This committee consisted of technical representatives of the Scottish Development Department, the two counties, Livingston New Town and the Consultants, under the chairmanship of the S.D.D., and was assisted by four working parties on rehabilitation, roads, services and recreation representing a large number of local authorities concerned with the ultimate implementation of the plan.

Towards the end of 1964, with the Lothians Study nearing completion, this Technical Committee was wound up.

However, Greater Livingston had by then become a growth area, and the Scottish Office took the initiative in setting up special administrative machinery (as had by this time been done in several other growth areas) to facilitate the implementation of the growth area programme. Therefore, a committee comprising representation from the Scottish Development Department, the Counties of Midlothian and West Lothian and the New Town Development Corporation was set up as the Greater Livingston growth area working party. More specifically, the contingent from the Scottish Development Department comprised several members of the Planning Division (including a Principal, who acted as chairman of the working party) two from Roads, and an Engineering Inspector. Both Midlothian and West Lothian County sent their Clerks and County Planning Officers, with Midlothian also represented by the County Surveyor. From the new town were the General Manager, Secretary, Chief Engineer and Planning Reporter. There were also two representatives from the Board of Trade.[25]

It should be emphasized that by the time this working party was established the local authorities in the growth

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[25] This membership is based on attendance at the first working party meeting, but there was little change during the period under study. A representative of the Department of Labour (Employment and Productivity) subsequently joined the working party and other Whitehall representatives, notably those from the Board of Trade, were affected by reorganizations which took place at the national level.

area had been involved in joint discussions for over a year.
Quite apart from the advantage to the Consultants of being
able to prepare the Lothians Plan in consultation with the
local authorities and the new town,[26] these prior deliber-
ations had helped to develop an area consciousness, a feeling
of common objectives transcending local boundaries, which was
to carry over into the working party meetings.

- Deliberations of the Greater Livingston
  Working Party -

At its first meeting (October 6th 1964) the working
party discerned a two-fold function. First, it accepted the
task shared by other growth area working parties of identify-
ing the common priorities for action. The second, and what
was to become more significant, task was the detailed joint
consideration of the Lothians Study. It was decided that
the roads and the services working parties of the now defunct
Technical Committee would be retained as sub-committees. It
was also agreed that a rehabilitation sub-committee be esta-
blished to consider priorities for action in the light of the
Lothians Study's emphasis on the clearance of derelict land.
(As outlined below, a fourth sub-committee on housing for

26
    Doubtless this process made the final plan more
acceptable to the local authorities and contributed to the
degree of progress achieved in Greater Livingston in im-
plementing the Lothians Plan.

industry was established in early 1966). These sub-committees were chaired by representatives of the Scottish Development Department who were also full members of the main working party. As a general pattern, the sub-committees met as frequently as required under the general direction of the working party to which their chairman regularly reported.

Roads and water supply were the main topics of discussion at the second working party meeting (December 1st, 1964). The issues raised were to be of continuing significance in the working party's deliberations. It was reported that discussions were being held between the officials of the two county councils, the new town corporation and the Scottish Development Department with regard to the future classification pattern of roads, and the roads construction programmes for the new town in 1964-65 and 1965-66. In the first of many instances of concern over costs, Midlothian argued that the demands on them as a highway authority were increasing sharply as a result of Livingston and that the originally agreed allocations were inadequate.[27] The importance of water supply had already been stressed at the first working party meeting

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[27] As they were often to do with other potential conflicts, the Scottish Office representatives on the working party temporarily "cooled" this issue, by suggesting that Midlothian approach the Scottish Development Department with firm proposals to be studied by Roads Division in conjunction with Planning Division. However, these contentious issues, including the example noted, re-appeared frequently at subsequent working party meetings.

when the services sub-committee indicated that the speedy
completion of the Loch Lomond Water Scheme was essential
if the growth of Livingston was to proceed with certainty.
In fact, the establishment of the Loch Lomond Water Board
was considerably delayed,[28] and the adequacy of water
supplies for the growth area remained a major topic of
discussion in subsequent meetings.

The third working party meeting (February 23rd, 1965)
saw considerable discussion of industrial development and
housing, two other major topics of continuing importance
during the period under study. Both West Lothian and
Livingston reported on their plans for advance factories,
with the latter indicating that they were looking to the
West for further sites in the vicinity of Deans Bing. The
repercussions of this remark provide a good, if simple,
illustration of both the jurisdictional problems which
characterized deliberations and the inter-locking of the
working party and its sub-committees. Midlothian objected
to Livingston's interest in the Deans Bing area on the
grounds that this seemed to involve a major departure from

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[28]
    Objections to the Draft Order for the Loch Lomond
scheme led to a public inquiry on July 26th, 1965. Follow-
ing the report of the public inquiry the Secretary of State
for Scotland confirmed the Order on May 17th,1966. However,
further objections were lodged and it was not until after
another inquiry (this time by a Joint Committee of the Lords
and Commons) that the Loch Lomond Water Order finally came
into operation on the 23rd February 1967, with the first meet-
ing of the Loch Lomond Water Board on March 13th.

the provisions of the Master Plan of the new town and could

force the County to reconsider the entire phasing of their

drainage programme. The chairman of the roads sub-committee

added that new town developments in this area might also

involve further access roads to the A8. As a result, con-

sideration of these matters was referred to the appropriate

sub-committees.[29]

The discussion of housing centred on the question of

the housing programmes of the authorities within the growth

area being coordinated in relation to potential industrial

development and consequential incoming labour. It was agreed

that consultations with the Ministry of Labour would be help-

ful. This topic was more thoroughly discussed at a working

party meeting a few months later (June 1st, 1965). Planning

Division of the Scottish Development Department reported

that there was an apparent under-provision of sites for housing

for incoming workers. There was some discussion about the

degree of flexibility in the housing programmes of individual

local authorities and particularly the possibility of

Livingston assisting in the provision of houses for workers

outside the new town. After brief reluctance the latter

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[29]
It might be noted that a subsequent meeting between
the new town and Midlothian did help clarify Livingstom's
plans to develop certain areas outside its boundaries. However,
the question of the allocation of costs for the servicing of
such areas remained a continuing problem.

agreed to arrange for a small annual allotment of houses in this connection. A Board of Trade representative emphasized the importance of flexibility in housing in attracting industrial development into the area.

By this time Volume II of the Lothians Plan had been published and detailed "proposals for consideration" were circulated to the local authorities. As a result deliberations of the working party became increasingly pre-occupied with the implications of this plan.[30] Thus, at the September 21st, 1965 meeting the chairman of the working party emphasized that the local authorities must indicate if they agreed with the total population estimate and distribution in the Lothians Plan as a basis for further planning. Midlothian replied that subject to satisfactory coordination in the attraction of industry and satisfactory financial assistance they were in general agreement with the Plan. Subsequently the County emphasized to the Scottish Development Department that there must be a clear allocation of responsibilities between the local authorities and the new town and that an influx of industry with its rateable value must be assured before the

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[30] This pattern was reinforced within a few months when the County Convenors of Midlothian and West Lothian accepted in principle the main recommendation of the Lothians Plan. This first public approval by the elected representatives of the two councils had the effect of giving a mandate to the Councils' officials on the working party to proceed with the implementation of the plan.

County could spend large sums on the provision of houses. There was also a reference to the need for a new subsidy structure to provide especially for advance "growth" building.

West Lothian County took roughly the same position, but envisaged some problems with small burghs like Bathgate and Whitburn, whose future growth had been very closely circumscribed by the Lothians Plan. In fact, throughout the period under study West Lothian had to contend with several small burghs whose plans did not fully conform with the priorities for development established in the Lothians Plan. For example, Whitburn's ambitious expansion plans ran counter to the Plan's restrictions on its future growth and Bathgate's aspirations of retaining its role as regional shopping centre appeared to be in conflict with the projected role of the Livingston new town centre.

The relevant proposals of the Lothians Plan were also examined by the roads and services sub-committees. Within two months (October 29th, 1965) the Chairman of the roads sub-committee reported to a working party meeting that the Lothians Plan's proposals for a regional road network had been accepted, subject to certain reservations. It was also reported that two small groups consisting of representatives of the new town corporation, the County Council or Councils concerned, and the Scottish Development Department, had been

set up to examine the road proposals for town groups (the Uphill-Broxburn and Calder areas) demarcated in the plan. Similarly, the services sub-committee discussed the proposed future distribution of population in the area and how this would affect the design of the main drainage system which had to be determined immediately.

By early 1966 the rehabilitation sub-committee was becoming increasingly active. On several occasions the relationship between its activities and those of the roads sub-committee was illustrated. Thus, at the March 15th,1966 working party meeting the chairman of the roads sub-committee was asked for estimated construction needs which might make use of available bing material. A less positive note was struck at a later working party meeting (May 24th, 1966) with the complaint that uncontrolled activities by contractors were making worse the appearance of various bings.

The question of housing for industry was also receiving increasing attention by this time. A member of the Regional Development Division explained to the January 11th, 1966 meeting of the working party how a newly formed inter-departmental committee [31] would attempt to ascertain the requirements of major

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[31]
Comprising representatives of the Scottish Development Department, the Board of Trade, Ministry of Labour and Scottish Special Housing Association, and chaired by the Regional Development Division, this body was the Scottish Economic Planning Board's Working Group on Housing, previously described.

industrial projects for housing in the growth area. Continuing concern about the adequacy of housing (notably by the representative of the Board of Trade) led to the establishment of the working party's fourth sub-committee on housing for industry. At one of this sub-committee's early meetings (August 23rd, 1966) it was agreed that the Scottish Development Department would prepare a paper suggesting in which areas the main emphasis of any augmentation of housing programmes should be placed. Continuing efforts were made to assess the contribution to housing from various local authorities and from the Scottish Special Housing Association.

In the meantime discussions at the working party and sub-committee meetings continued to centre on the provision of physical facilities in line with the development pattern outlined in the Lothians Plan. For example, division of the cost for the Almond Valley Trunk Sewer Scheme was considered at several meetings. The sort of jurisdictional problem which arose not infrequently in the growth area was illustrated at the services sub-committee meeting of November 29th, 1966. Livingston raised the question of drainage from the Deans Industrial Estate. While a surface water drainage scheme had been approved, and a tender accepted by the Department and the County Council, the new town was holding back because legal liability for provision of the service had not been resolved between the Development Corporation and the two counties.

When the matter was raised at the next working party meeting
(December 6th, 1966) it was decided that the Development
Corporation would bear the cost for the drainage initially,
with financial arrangements to be discussed later.[32]

By mid-1967 it was agreed that the working party and
its sub-committees had reached the stage where an assessment
of achievements and future objectives should be made. In
this connection, the various sub-committees submitted reports,
highlights of which are included below.

The roads sub-committee observed that their work had
reached a peak in early 1966, with a marked decline in 1967.
They ascribed this to three main factors: the stage reached
in the road planning in Livingston, the degree of agreement
reached on local road networks, and the diversion of their
main traffic interest to a sub-committee of the recently
established East Central Scotland Land Use Transportation
Study. They noted that a sub-committee is an unsuitable
forum for much of the detailed discussion of specific problems
(for example, the precise alignment of the M8 and Livingston
Road where they intersect) which are often resolved only by
direct contact with the authorities concerned. They concluded

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[32] This sort of temporary solution was frequently resorted
to, usually at the initiative of the Scottish Development
Department. While it served to postpone deadlock and to keep
projects going forward, it also left unsolved a growing number
of financial questions.

that a roads sub-committee was still needed, however, partly
to review the regional road network in the growth area after
the report of the above-mentioned East Central Scotland Land
Use Transportation Study.

The services sub-committee in their progress report
cited capital expenditures to indicate their past and future
programmes. To date (the third quarter of 1967), they noted
expenditure of over £7 million on water and sewerage providing
for the needs of about 6,000 new houses plus 1,100 acres of
new industrial estates. They estimated that further capital
expenditures of over £12 million would be required by 1972
for the extra 11,000 houses being planned for this period.

The report of the housing for industry sub-committee
included a breakdown of the house building programme of the
local authorities in the growth area, and the extent to which
these houses were ear-marked for incoming industry. It urged
that the planning of house-building requirements should be
based on projections of the Lothians Plan, not the shorter
term estimates of demand derived from the Ministry of Labour's
questioning of individual firms at arbitrarily chosen dates.
Any houses not immediately required for industry could be
allocated to the regular waiting lists and "repaid" later.
This sub-committee had previously noted that the problem of
getting houses built for incoming workers was not a particul-
arly suitable subject for a standing committee, but one which
called for ad hoc meetings with individual authorities con-
cerned.

The fourth progress report, that of the rehabilitation sub-committee, disclosed that since 1963 a total of 37 derelict site rehabilitation schemes had been proposed within the growth area, 13 of which had so far been completed, with 9 schemes in progress. They noted that progress had been less than hoped, given the changes in grants available to local authorities[33] and the strong emphasis on rehabilitation in the Lothians Plan.

As a result of these reports, and assessments made by the Scottish Development Department, it was decided during discussions at the October 17th, 1967 meeting of the working party that it should continue in existence but with less frequent meetings. In future the main working party was to meet at four-monthly intervals, with the sub-committees meeting three times yearly, or more frequently if required. It was also agreed that membership on the Working Party should be broadened - notably by the inclusion of the Ministry of Labour and perhaps other interested bodies such as the Gas and Electricity Board. There was some discussion of other topics which might need attention by a sub-committee. Health and Education, particularly social and recreational services, were mentioned as future possibilities.

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[33] As previously described, 1966 legislation increased the grants for rehabilitation and also the discretion of the Secretary of State in awarding them.

Education was in fact raised by Livingston at the next working party meeting (February 1968). There was some discussion as to whether there was sufficiently close liaison with the local education authorities to ensure that school accommodation would be available in the growth area as needed. It was agreed that the housing sub-committee, who were responsible for this liaison, would report on the matter.[34] Livingston also drew attention to the need for adequate recreational and social facilities and it was decided that they would meet with the county councils to pursue this question. However, for the most part the meeting centred on the reports from the chairmen of the four sub-committees.

This pattern became even more apparent in subsequent working party meetings. The prominence of the sub-committee reports is reflected in the agenda for the June 25th, 1968 working party meeting, which varied little for meetings during this period.

Agenda: 1. Minutes of the 16th meeting

         2. Matters arising on the Minutes

         3. Reports by sub-committees:

              a) Roads
              b) Services
              c) Housing
              d) Rehabilitation

         4. Any other business

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[34] They informed the working party that education facilities were being kept under review and that henceforth an official from the Scottish Education Department would attend the meetings of the housing sub-committee.

This June 1968 meeting saw another complaint from Mid-lothian about the costs of development. The Treasurer claimed that there was an urgent need for firm financial arrangements to be approved by the Development Department and the Treasury, and that temporary financing arrangements were not working efficiently owing to delays in payments being cleared by the Department. The Department's response, as expressed by the chairman at the next working party meeting (November 1968) was that a study was being undertaken to try and arrive at more satisfactory permanent arrangements between the new town and the local authorities. Discussion at the November meeting again focused on the sub-committee reports.

After an uneventful working party meeting in March 1969,[35] the following meeting (July 1969) saw a significant new topic introduced by the chairman. Reminding the members that two years earlier he had initiated an assessment of the growth area machinery, he suggested that another review was needed - this time a review of the progress to date. He explained that the aim would be to submit a paper to the constituent author-ities through the Joint Planning Advisory Committee,[36] followed by a meeting with the Minister of State to consider achieve-ments since the completion of the Lothians Plan.

[35] Finances were again discussed, with Midlothian complain-ing that the new town was slow in making certain payments to the county. The chairman replied that the claims in question were now being processed, but that he would look into the matter.

[36] This committee had been in abeyance since 1966 when they met to receive the Lothians Plan.

Following this meeting the Scottish Development Department prepared a paper entitled "Review of Development, 1963-69". As the most comprehensive picture of progress in any of the growth areas, several of its findings are outlined below.

In brief, the main findings of the review were that the growth area had shown less population increase than anticipated by the Lothians Plan, and that the internal distribution of the increased population that was attained was not completely consistent with the pattern proposed by the Plan. Thus, while the Lothians Plan had envisaged that there would be a population of 94,000 outside the new town by mid-1968, and 8,000 in Livingston, the Review (p.15) estimated there were 87,000 outside and 6,500 in the new town. As for the internal pattern, the Review found little growth in the Town Groups of Fauldhouse, Addiewell, West Calder/Polbeth and Mid and East Calder. In fact, the latter had suffered a population loss of 2,000 jobs (apparently mainly due to the termination of the shale mining industry) even though the Plan had expected fairly rapid expansion there. While Armadale, Blackburn, Broxburn/Uphall and, to a lesser extent, Bathgate had all grown rather as expected,[37] the population of Whitburn had increased much more than anticipated by the Plan, by 47.5%

[37] In 1968 Bathgate's population of 16,000 was 2,500 below the Plan's forecast.

between 1961 and 1966 alone.[38]   In fact the Review noted (p.15)
that by 1968 the Whitburn Group, which included Blackburn and
a small portion of the new town, were already in excess of the
10,000 maximum population recommended in the Lothians Plan.

An examination of housing revealed further growth in
store for Whitburn, with the Review pointing out (p.27) that
the burgh had negotiated schemes in two phases which would in-
volve the building of another 547 houses over a period of
three years.   The Review cautioned that (p.27) "The Plan did
not provide for growth of this order at Whitburn and in
detailed planning some recasting will be necessary to take
account of events and to outline policy for the future."   In
the case of Livingston new town the Review disclosed that
house building had started much more slowly than envisaged
by the Plan and was presently 250 houses behind the annual
figure it had suggested.[39]   While noting (p.27) that the pace
of Livingston house building "is less than the average necessary
to meet the target population by 1986", the Review pointed out

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[38]
     Immigration was a major factor here, largely arising
from Overspill Agreements with Glasgow. It was estimated (p.12)
that in the period 1961-66, West Central Scotland provided 80.8%
of the immigrants into Whitburn, including 56% from Glasgow alone.

[39]
     The Plan had suggested 400 houses for Livingston by the
end of 1965, but only 96 were built. An average of 950 houses
per year was anticipated for the period 1966-68, but the actual
completion rate was 700 per year. It should be noted that the
figure of 950 houses per year was in fact revised downward from
1,350 in conjunction with a reduced target population for the
new town from 100,000 to 70,000.

that it was ahead of current demand and that there were ample houses available for employees of new industry.

The lower rate of housebuilding had been adequate because of a slow growth in manufacturing employment, especially in the period 1966-68. The Review noted (p.19) that most of the manufacturing employment between 1961 and 1966 had been concentrated in the Bathgate (5,420 jobs) and Broxburn (2,303 jobs) areas. In the following two years industrial development [40] lagged generally in the growth area, with overall growth entirely due to increased female employment. According to the Review (p.24) the rate of industrial growth would have to be stepped up if the labour force projected by the Lothians Plan for 1985 were to be attained.

The Review concluded (p.41) that the growth of the Greater Livingston area was behind schedule, and that the movement of population into the area had been less than the Lothians Plan had envisaged. Significantly, while the Plan had anticipated that as many as 80% of the immigrants to Livingston could be from Glasgow, only 11% had come from there [41] in the period up to the end of 1968. However, the Review

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[40] In fact, Bathgate had actually experienced a decline in the number of males in manufacturing.

[41] The implications of these figures are assessed later in a discussion of overspill policies (Chapter Five).

pointed out that Scotland as a whole had experienced a net

loss of 20,000 population between 1963 and 1967. Bearing

this in mind it was suggested that the population growth

in Greater Livingston compared well with other areas, except

those very near Glasgow. The figures advanced in this

connection allow a comparison with several of the other

growth areas and are therefore outlined below.

POPULATION GROWTH

1961 - 68

	Numbers	Percentage Increase
Kirkintilloch/Cumbernauld	24,000	49%
East Kilbride/Hamilton	34,000	32%
Greater Livingston	12,000	16%
Falkirk/Grangemouth (including Linlithgow and Bo'ness)	5,600	4%
Dunfermline	2,900	3%
Glenrothes/Kirkcaldy/Leven	1,500	1%

Notwithstanding the detailed nature of this review paper

and its rather significant findings, there was very little

discussion of it at the next working party meeting (December

1969). Midlothian did suggest that the paper might offer some

comment on why there had been so little overspill from Glasgow.

In another of their references to financial inequities the

county claimed that while previously there had been a special

allocation of investment for new town roads, under the rate

support grant these costs now were met largely by the county council. In response to the chairman's requests for details, Midlothian subsequently sent a letter (February 18th 1970) to the Department outlining at some length their criticisms of the existing financial arrangements. Their basic contention was that the factors given weight in determining the distribution of finances amongst local authorities were very much to the detriment of growth areas. In one of several examples they pointed out that educational units, an important factor in grant distribution, were not credited for educational places provided in schools in advance of the arrival of pupils; yet in the case of a new town the county council was obliged to make such advance provision. Midlothian also protested the allegedly unfavourable effects on growth areas of the latest alteration of the distribution formula under the Rate Support Grant (Increase) (Scotland) Order, 1970.

While the working party did not meet at all in 1970, April saw the special meeting between the Midlothian and West Lothian Joint Planning Advisory Committee and the Minister of State to discuss the Development Department's paper on "Review of Developments". Noting the serious shortfall in Glasgow overspill, the Minister suggested that Livingston and the two counties meet with Glasgow Corporation's overspill committee to consider ways of improving the situation. On the question

of industrial development he observed that "against a back-
ground of increasing competition from other growth areas,"
the local representatives must do more to promote Greater
Livingston. To this end he suggested that the Joint Planning
Advisory Committee should meet at least twice a year. How-
ever, the county council representatives expressed some
scepticism, and implied that it was a bit late to start ex-
pecting joint action by three authorities who had hitherto acted
for their own respective interests.[42] Emphasizing the need for
coordination, the Minister noted the departures from the
location and scale of provision of housing as recommended in
the Lothians Plan.[43] Finally, the local authorities urged the
Minister to reconsider the basis of the allocation of grants
towards the special burden of rates involved in the growth
area development and the elements in the Rate Support Grant
distribution formula inimical to the interests of areas such
as Greater Livingston.

The working party finally met again in February 1971,[44]

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[42]
    This suggests that it would have been desirable to
keep the Joint Planning Advisory Committee more closely in-
volved with the implementation of the growth area programme
over the preceding three years.

[43]
    While no specific examples were cited, as the Review
indicated Whitburn was the major culprit.

[44]
    For most purposes the research has been confined to
the period up to mid-1970 and the change in Government.
However, because the working party did not meet throughout
1970 and because of several developments in this latest meet-
ing, it has been included in the study.

(their first meeting since December 1969). As usual, the
sub-committees reported on the meetings they had held in
the interval, with the chairman of the services sub-committee
noting that the Loch Lomond Water Supply Scheme, which had
figured prominently in discussions in the early years of the
working party, would be opened by the Queen in June. Livingston
expressed some concern that the rate of housebuilding in the new
town was exceeding demand, because the anticipated industrial
development had not materialized. Midlothian contended that
one of the reasons that population build up was not meeting
the expectations of the Lothians Plan was that some authorities
were being allowed to proceed with housing projects in excess
of the needs of residents and incoming workers. It was reported
that the Joint Planning Advisory Committee intended to make
representations to Whitburn and Armadale on this subject. The
Development Department asked to be kept in touch in this matter
and said that they were aware of the potential dangers to
Livingston's status as the regional centre.

The working party was then given the highlights of a
meeting between the Minister of State and Joint Planning Ad-
visory Committee held earlier in the month.[45] It was reported

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[45] This meeting, on February 4th 1971, was a follow-up to
the meeting of the same parties held in April 1970 and described
above. Presumably the holding of these two special meetings ex-
plains the long interval between working party meetings.

that the Committee had sent an urgent letter to the Secretary
of State concerning the possible adverse effect on the growth
area of the designation of West Central Scotland as a Special
Development Area. The Committee had discussed the need for
increased Glasgow overspill, with Livingston disclosing that
as a result of their meeting with Glasgow Corporation's
Overspill Committee a joint exhibition was being undertaken.
No definite action had yet been taken on the Minister of
State's exhortation for increased joint action by the author-
ities in the growth area. There had been no agreement on the
appointment of a Development Officer for the area.

The meeting closed with agreement that the working party
would meet again one month before the next (as yet unscheduled)
meeting of the Joint Planning Advisory Committee. This suggests
a new phase in the life of the working party. In the past the
Scottish Development Department has been the driving force
determining the pace of the working party. However, the in-
itiative is now being transferred, at least to some extent,
to the elected representatives on the Joint Planning Advisory
Committee. This is consistent with the Minister of State's
earlier efforts to secure greater participation and commit-
ment by the local authorities. [46] Greater cooperative effort

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[46]
It is also consistent with efforts in other areas of the
country to encourage stronger local authority cooperation in the
pursuit of regional development. One notable example is the est-
ablishment of the North East Scotland Development Authority,
described above.

by the local authorities is also seen as a desirable prelude
to the reorganization of local government.

- Assessment of the Greater Livingston
Working Party -

In reviewing the working party deliberations one is
struck by the pervasive influence of the Lothians Plan. The
summary of minutes (above) gives ample testimony to the extent
to which the discussions of the working party and its sub-
committees were structured by the proposals for development
outlined in the Plan. Increasingly, in fact, the working
party became mainly concerned with considering reports from
the four sub-committees on their progress in providing services
in line with developments proposed by the Lothians Plan. It
is difficult, therefore, to know whether to ascribe progress
achieved to the inherent effectiveness of the working party
machinery, the growth area designation or the framework pro-
vided by the Plan. Obviously these factors interlock. The
point to be noted here is that there are a number of variables
and no one explanation can be advanced for the performance of
the working party.

In fact, because Livingston new town straddles both
counties it is reasonable to assume that, even without the
growth area designation or the Lothians Plan, the provision
of services to the new town would have dictated the establish-
ment of some joint consultative machinery. Further it can be

argued that this machinery would probably have reached some

agreement on the provision of services unless all parties were

extremely short-sighted. Thus, while the administration of

certain services has been commendably simplified,[47] this could

be attributed to the reasoned and fairly predictable response

of local authorities faced with the prospect of providing

services to part of the new town.

On the other hand, it is clear that the location of the

new town has created considerable fragmentation of admini-

stration, inhibiting the coordination of development efforts

in the area and leading to prolonged cost-sharing problems.

To illustrate: the county (Midlothian or West Lothian depend-

ing on the part of the town being considered) retained its

role as road authority except for roads within a housing or

industrial area, which were provided by the new town. In

this latter case, the roads were built to agreed specifications

and then turned over to the county, which maintained them. At

this final stage, some haggling occasionally took place over

the eligibility of some of the roads, with the county attempt-

ing to hold down their responsibilities. There was also some

conflict as to whether classified roads in the town should be

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[47]
For example, all drainage within the new town became
the responsibility of Midlothian County, all scavenging and
cleansing the responsibility of West Lothian, and water supply
the responsibility of the West Lothian Water Board.

lit, in which case the county would be responsible. In

addition, difficulties sometimes arose over the demarcation

of services provided by the county - for example, the standard
[48]
of sewerage facilities required by a housing development.

One outgrowth of the fragmentation of responsibilities

was frequent disagreement over the sharing of costs, a

problem noted frequently in the summary of working party

deliberations. When the new town was designated the county

councils agreed to a no profit - no loss financial arrange-

ment which was essentially a refinement of the policy followed
[49]
in the East Kilbride new town roads and drainage agreements.

Designed to ease the burden on ratepayers arising out of the

very substantial expenditures associated with servicing a new

town, the no profit - no loss concept involved advances being

made to the county by the development corporation in the early

years until rateable income from the new town was sufficient

to sustain the services provided by the county. As the rate-

able income increased further it was not to be used to profit

the ratepayers but to reduce the deficit incurred by the dev-

elopment corporation on the project in question. In this way

"neither the New Town Development Corporation nor the County

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[48]
    These examples of divided jurisdiction were obtained
in an interview, July 11th, 1968

[49]
    The general policy was outlined in the New Town Designation
Order, op. cit., p.8

Councils should suffer or profit at the expense of the other
as a result of the uneven way in which expenditure is incurred."[50]

While a relatively simple concept, the no profit - no
loss principle proved very difficult to implement. The exten-
sive fragmentation of responsibilities in the Greater Livingston
area accentuated the problem and led to frequent disagreements
over the sharing of costs. A number of the financial arrange-
ments which were made were a kind of holding operation, a
payment on account, to enable the project involved to proceed.
Such arrangements introduced an element of expediency and
their aggregate financial implications for the authorities
involved could not easily be estimated at the time.

The local authorities expressed concern about the general
inadequacy of funds for implementing the growth area programme.
The counties, especially Midlothian,[51] complained about the
amount of additional expenditure they were called upon to
undertake and contended that special grants should be provided
to offset this burden. They claimed that steadily rising rates

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[50]
Ibid., p.8

[51]
There were apparently two reasons why Midlothian was
much more critical of finances than West Lothian. The main
explanation is simply that most of the expansion of the new
town in the early years (and the attendant expenses) took
place within Midlothian County. A secondary factor seems to
have been the personal commitment of Midlothian's County
Treasurer, who lost no opportunity to raise the issue of
finances.

imposed a ceiling on the amount of "development expenditure" they could undertake, especially with economic conditions increasingly tightened after mid-1966. With the introduction of the general Rate Support Grant the counties also charged that factors considered in determining the distribution of finances to local authorities worked to the detriment of growth areas.

While one might have expected the development corporation to be an effective device for implementing a growth area programme, only in the provision of housing does this appear to have been the case. Without an elected council and a lengthy waiting list of tenants, the allocation of housing in the new town was substantially free of the political overtones which characterize local authority housing. This allowed the development corporation to be flexible in its housing programme, and in particular enabled it to provide a considerable number of houses for workers whose firms were located outside the new town boundaries.[52] However, on most other matters, the previously described fragmentation of responsibilities inhibited what effectiveness the development corporation might have had.[53]

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[52] As the record of the working party indicates, the local authorities found their internal demands for housing too great.

[53] It seems regrettable that, given the decision to locate the new town astraddle the two counties, guidelines on the sharing of responsibilities and costs were not worked out in advance. Instead these matters had to be handled on an essentially ad hoc basis by the growth area working party, imposing a considerable drain on its time, energies and store of good will.

Ironically, in the vital role of attracting industry the
development corporation had an inherent disadvantage. Because
of the legal requirement to obtain specific minimum rates on
its investments, the new town could easily be under-priced by
local authorities with respect to rents for factories or in-
dustrial sites. In fact, during the late 1960s Midlothian had
several industrial sites close to the new town boundary offer-
ing substantially lower rents.[54]

The "Review of Development" prepared for the working
party in late 1969 revealed that the implementation of the
development programme suggested by the Lothians Plan was some-
what behind schedule, and that since 1966 manufacturing employ-
ment, especially for males, had increased very little.[55] How-
ever, the preparation of this Review provided a further indication
of the extent to which the working party has been operating
within the framework of the Lothians Plan. In addition, the
very action of measuring progress and considering where extra
efforts were needed is itself suggestive of a continuing commit-
ment to the development of the growth area. Notwithstanding

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[54] Interview July 18th, 1968. Paradoxically, while the
county kept their rates down by letting unserviced sites, the
New Towns Act required them to service the industrial sites
within the new town.

[55] Employment difficulties continue to plague the area,
including Livingston itself. In recent months the new town has
suffered redundancies in two of its major employers, Lee Cooper
Limited and Cameron Iron Works. The Scotsman, June 1st, 1971,
cites 500 job losses in the two firms.

the uncertainty about the general status of growth area
policy, the record indicates that the Greater Livingston
growth area continued to receive special attention through-
out the 1960s.

The fact that the growth achieved in Greater Livingston
has not followed completely the pattern outlined in the
Lothians Plan merits comment. Some variation is, of course,
understandable. However, the extent of the departure,
especially in the case of Whitburn's expansion, has been
sufficient to cause expressions of concern by both the work-
ing party and the Joint Planning Advisory Committee. For
this departure the working party itself cannot be blamed.
Whatever else it may have been expected to achieve, the
working party machinery has had no authority to enforce
desired growth patterns. Nor could such power be delegated
to a joint committee of officials. To the extent that
Whitburn's growth could have been curtailed, the responsibility
rests with West Lothian County, as planning authority, and the
Scottish Development Department. However, in practice, as the
Whitburn experience indicates, it is difficult, and politically
unfeasible,[56] to attempt to restrict the growth of ambitious and
energetic local authorities.

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[56]
Given the general economic difficulties in the late 1960s,
and the slow (according to the Lothians Plan) rate of growth with-
in Greater Livingston itself, it would have been particularly
difficult to repress Whitburn.

In summary, the record indicates that, given the framework provided by the Lothians Plan, the use of a joint working party has facilitated the provision of services, particularly roads and water and sewerage, in the growth area. Problems of divided jurisdiction and associated cost-sharing, however, did complicate this exercise. In terms of engendering an area-wide approach to the provision of housing and the attraction of industry far less has been achieved. This should not be surprising, since collaboration on these matters requires a political commitment which the officials on the working party could not provide directly. Part of the answer here lies in the greater involvement of the elected local representatives, which recently has been encouraged through the re-activation of the Joint Planning Advisory Committee.

B - The North Lanarkshire Growth Area

The North Lanarkshire growth area is located south and east of Glasgow. Like Greater Livingston, North Lanarkshire faced extensive rehabilitation as a legacy of coal mining, but there was little else in common between the two growth areas. One of the oldest industrial areas in Scotland, North Lanarkshire had a substantial pool of labour, but little capacity for expansion. In fact, as previously indicated, its selection as a growth area was somewhat surprising, and appeared to reflect the Board of Trade's influence.

At the outset, it might be noted that the area contained five planning authorities,[57] and had a history of local authority conflicts, usually between the county and one or more of the large burghs. In the recent past, the county had also become embroiled with East Kilbride over the costs (especially for schools) of servicing the new town.[58] The lack of undeveloped land within the large burghs added another point of friction. Given this fact, the burghs could not really be expected to support strongly the development of the growth area since any new industries attracted (and their rateable value) would almost inevitably go to the landward area of the county. In addition, some of the local authorities were generally sceptical about the validity of the growth area concept. The Labour - controlled councils tended to regard the policy as just a Conservative "gimmick", hatched in anticipation of the impending election. Reinforcing this was the considerable body of opinion that North Lanarkshire was a questionable choice as a growth area,[59] and that development should more

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[57] Lanark County and the large burghs of Hamilton, Airdrie, Coatbridge and Motherwell and Wishaw. In addition, East Kilbride and (very briefly) Cumbernauld were associated with the working party in its initial stages.

[58] As the summary of growth area deliberations indicates, this was to make the County quite wary of the financial implications of the growth area designation.

[59] Several local officers interviewed felt that the Board of Trade had influenced the designation of North Lanarkshire, largely because of the concentration of Development Districts in the area.

logically occur further south in the county.

Bearing in mind this not altogether promising background, let us now examine the record of the working party.

- Deliberations of the North Lanarkshire Working Party -

The origins of the North Lanarkshire growth area working party can be traced to December 11, 1963 when the Scottish Office convened a meeting with the Clerks of Lanark, Airdrie, Coatbridge, and Motherwell and Wishaw (Hamilton was also invited, but absent) and suggested that a team of technical officers of the local authorities and the Scottish Development Department be established, initially to survey the growth area for the main priorities for rehabilitation. The response was less than enthusiastic. Several of the clerks were sceptical of achieving any coordination until local government reorganization occurred. They were also doubtful about prospects for industrial development - on the one hand because of the acute shortage of industrial land in the large burghs, on the other because they felt that the Board of Trade tended to ignore their area and concentrated, in the first instance, on filling its own factories and those of the new towns.[60]

A further meeting took place on January 23rd, 1964, with the Minister of State, representatives of the Scottish Development Department and the Board of Trade, and both elected

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[60] The local authorities' views on relations with the Board of Trade are outlined later.

representatives and officials from Lanark, Airdrie, Coatbridge, Hamilton and Motherwell and Wishaw. The local authorities were invited to nominate officials to meet with a Government team on a joint working party. The scepticism of the local authorities was again apparent in a suggestion by the County that the arrangements contemplated for official teams to assess local priorities might interfere with the accepted relationship between officials and elected members. However, two weeks later, a joint meeting of local authorities selected their representatives for the working party. They also agreed that a joint steering committee of local elected representatives be established to determine the policy to be followed by officials on the working party. The stage was set for deliberations to begin.

The first meeting of the North Lanarkshire growth area working party took place on the 9th of March 1964. It was agreed to ask a committee[61] of technical officers of the local planning authorities and the Scottish Development Department to prepare reports on (i) phasing and priorities of the classified roads programme; (ii) availability of land for housing incoming workers and executives; (iii) distribution of industrial sites; (iv) availability of services for industrial sites;

61
    The actual reference was to a technical working party, but to avoid confusion the term committee has been substituted.

and (v) need for rehabilitation activities. It was further

agreed that this technical committee would report back to

the working party, the local members of which would in turn

report to the steering committee of elected representatives.

This pattern was established from the outset, with the

second working party meeting (April 20th, 1964) largely con-

cerned with reports arising from two intervening meetings

of the technical committee. Much of the discussion centred

on available sites for industrial development. A report pre-

pared by the technical committee had confirmed the shortage

[62]

of industrial land in the large burghs. The proposed ex-

pansion of the new Board of Trade industrial estate at

[63]

Bellshill, and the related Bellshill by-pass road were dis-

cussed. The Board of Trade expressed some reservations about

the concentration of industry in the Bellshill-Tannochside

area, and Lanarkshire stressed that prospects for carrying

out schemes in the south of the country should not be prejudiced

by the focusing of attention on North Lanarkshire. This latter

remark reflected the county's feeling that the southern part

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[62]
No land was available in Hamilton: Coatbridge had only
the balance of the Greenhill industrial estate which was small
and not easily accessible; Motherwell had no available land,
although a recent burgh extension might provide some; Airdrie
had some land of which the details were not available.

[63]
The South Alderston site of 112 acres was originally
proposed to provide local employment for the Bellshill area, but
under the 1963 White Paper it became the focus for a much wider
area.

of Lanarkshire was more appropriate for development.

The third working party meeting (June 1st, 1964) agreed
that the first priority in the road programme should be
accelerating work on the Bellshill by-pass. After Bellshill,
Tannochside and, with reservations, Newhouse, were viewed as
suitable areas for industrial development. On the question
of rehabilitation, the Scottish Development Department noted
that the Coal Board had provided a list of bings which they
were willing to dispose of, and in view of the acquisition
difficulties, suggested that rehabilitation work be related
[64]
to these bings where possible. The working party agreed
that the provision of private housing was less acute than in
certain other growth areas because persons employed in North
Lanarkshire could choose from numerous housing sites available
in the whole Clyde Valley.

The summer of 1964 saw a lull in working party activit-
ies, during which the Scottish Development Department met
with individual local authorities. In all instances the
Department indicated the desirability of informal consult-
ation with the local authority before Quinquennial Reviews

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[64]
    The technical committee had previously examined a
survey by the county which indicated approximately 500 bings
in the growth area.

were submitted.[65] While most of the matters discussed were
mainly of local interest, two of these meetings (with
Airdrie and with Motherwell and Wishaw) merit mention.

During their meeting with the Scottish Development
Department Airdrie showed little inclination, apart from
possible facelift operations in the downtown area, to under-
take new development efforts. They did not respond positive-
ly to the Department's query about plans to relieve congestion
on the town's main streets. Nor did they indicate any signif-
icant plans for action on derelict sites under the Local Employ-
ment Act. Airdrie stressed that they were already committed
to heavy expenditures over the next few years on projects
related to their own immediate needs. By implication, the
burgh revealed that they were not anxious to assume the addi-
tional expenses which they assumed would be involved in the
growth area programme. Bearing this in mind, Airdrie's
increasing lack of interest and participation in subsequent
working party meetings can be better understood.

The meeting between the Development Department and Mother-
well and Wishaw saw concern expressed about the exclusion of
Wishaw from the designated growth area. This curious situation,
with the growth area boundary cutting through the burgh,

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[65]
In the case of Coatbridge, this led to a meeting in early
August with the burgh, the Scottish Development Department and
the outside consultants preparing the Quinquennial Review. There
was considerable discussion of planned industrial expansion and
the effect on Coatbridge's housing capacity.

apparently arose because of the Board of Trade's insistence
that the growth areas adhere to the boundaries of employment
exchanges. In mid-July, without any formal announcement of
the change, Wishaw was included in the growth area.

The working party meetings resumed in early September,
but little of substance was discussed. The Scottish Develop-
ment Department reported that the estimated cost of the Bellshill
by-pass was higher than expected and that the work might have
to be phased. There was also some general and not very fruit-
ful discussion about housing.

On November 12th the Development Department contacted
Lanarkshire about a major rehabilitation project which became
known as the Middle Clyde Regional Park (later the Strathclyde
Park). Originally discussed in the 1946 Plan for the Clyde
Valley Region, the project was now proposed in conjunction
with the completion of the M74. It involved the creation of
a massive artificial lake through the diversion of the Clyde
River. As will be seen, discussion of this proposal dominated
the remaining working party meetings.

By the seventh meeting (late March 1965) it was reported
that the steering committee of elected representatives had
approved the proposal for the Middle Clyde rehabilitation,
and that a joint committee would be established once a hydraulic
report on the proposed creation of an artificial lake was
received from the Department of Scientific and Industrial

Research (subsequently the Ministry of Technology). This topic was discussed again at the next working party meeting which was uneventful and appeared to lack substantive items for discussion.[66] Discussions at the ninth working party meeting were even less productive. Part of the problem was that the Middle Clyde scheme, notwithstanding its scope, was of direct interest only to Lanarkshire, Hamilton and Motherwell and Wishaw. At the request of the Scottish Development Department these three local authorities agreed to prepare an agenda for a possible joint meeting to discuss further action on the Middle Clyde project. With attention centred on this project the other local authorities participated less and less in the working party deliberations.

The tenth working party meeting scheduled for November 8th was initially postponed because the Minister of State was due to meet Lanarkshire's Council the same day. Then a November 18th letter from the Scottish Development Department suggested a further postponement until the hydraulic report on the Middle Clyde scheme became available. This letter also asked the local authorities to suggest items for the next meeting's agenda.

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[66] It might be noted that at this meeting the Scottish Development Department referred to experiences in West Lothian (described above) in stressing the desirability of integrating bing removal with road works.

Hamilton replied in early December that since the Middle Clyde's scheme concerned only themselves, Motherwell and Lanarkshire, further discussions about it might be confined to the three local authorities. Lanarkshire did propose two items for the agenda, but indicated a willingness to pursue these separately with the Department if preferred.

On December 20th the Scottish Development Department wrote to the county that no other local authorities had proposed items for the agenda and there did not appear to be sufficient reason to call the next meeting. They indicated that if complications arose they would be happy to reconvene the Working Party to help resolve them. Thus, after nine meetings and not quite two years of existence, the North Lanarkshire growth area working party came to an end.

- Assessment of the North Lanarkshire Working
  Party -

As previously noted, the working party was handicapped from the start by such factors as a history of local authority conflicts in the area, the unsympathetic attitude of the large burghs,[67] suspicion (especially among Labour-controlled councils)

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[67] Largely because they lacked available land on which industrial development might take place, and to a lesser extent, notably Airdrie, because they appeared to be concerned about the possible costs to them of undertaking programmes in support of the growth area designation.

about the validity of the growth area concept and the feeling
that development should occur further south in the county.
However, a closer look suggests another factor as well. The
record indicates that the working party foundered not so much
because of the unwillingness or inability of the local auth-
orities to cooperate on specific issues but rather because of
the lack of substantive topics of common interest. Gradually
the discussions tended to focus on Hamilton, Motherwell and
Wishaw and the County, especially after the Middle Clyde park
project was introduced. This project also seemed to become
the Scottish Development Department's main concern,[68] apart from
stressing rehabilitation and urging local authorities to con-
sult with the Department before submitting Quinquennial Reviews.
Ultimately, the record suggests, the working party simply ran
out of meaningful things to discuss.

While part of the problem can doubtless be attributed
to the attitude of the participating local authorities, one
may ask to what extent it should be the responsibility of the
Scottish Office to structure the working party discussions by
providing strong guidelines. Clearly, the Lothians Plan pro-
vided such a framework for the deliberations of the Greater

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[68]
The Department postponed the scheduled tenth meeting of
the working party on the grounds that a hydraulic report on the
Clyde Regional Park proposal was not yet available, which im-
plies that this was the only significant topic to be discussed.

Livingston working party. It is equally clear from the record outlined above that such a framework was conspicuously lacking from the North Lanarkshire discussions, and the Scottish Office appeared to make little effort to correct this, relying very heavily on the local authorities to provide the initiative and determine the subject matter for the working party - especially in the later stages.

Even vigorous efforts by the Scottish Office might not have prolonged greatly the life of the North Lanarkshire working party, but it is contended that the Scottish Office withheld such efforts and acquiesced in the demise of the working party. Even as the latter was "running out of steam" in late 1965, the Scottish Development Department was in contact with Lanark County with respect to a new programme of Glasgow overspill proclaimed in the Scottish Plan, 1965-70. Initially the County and the large burghs were asked to assess their future requirements for land use and to this end they appointed representatives to a joint land use working party in January 1966. The deliberations of this new working party were to continue throughout the second half of the 1960s.[69]

Considering the limited scope for further industrial development in North Lanarkshire, the undistinguished

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[69] The implications of this new overspill programme and its attempted implementation via the Lanarkshire land use working party are discussed later in the study. (Chapter Five)

performance of the working party, the fact that the selection

of the North Lanarkshire growth area was allegedly the work

of the Board of Trade, that the growth area policy had not

been publicly endorsed by Labour and that the overspill

programme was a specific Labour policy outlined in the Scottish

Plan, it is plausible to assume a greater Scottish Office

commitment to the land use working party than to the growth

area machinery. Therefore, it is suggested that the demise

of the latter was not altogether unwelcome. It allowed all

parties concerned to start afresh and concentrate their

energies on the overspill programme.

C - The Central Fife Growth Area

There was a superficial similarity between the Central

Fife and Greater Livingston growth areas. Both contained

new towns - originally designated as separate growth areas[70] -

and extensive surrounding areas requiring rehabilitation.

However, the Fife area faced particularly serious economic

problems because of the rundown of the coal mining industry,[71]

and was also more remote from the main path of development

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[70] The 1963 White Paper on Central Scotland designated as growth areas (among others) the new towns of Livingston and Glenrothes and the older industrial areas of Central Fife and the Lothians. However, in both instances the new town and its surrounding area were constituted as one for subsequent purposes.

[71] "In 1956 the county had 26,500 miners; by 1967 the figure was 13,800; and by the following year only 8,600." The Scotsman, January 26th, 1970.

than Greater Livingston, although the completion of the new
Forth Road Bridge was expected to make the area much more
accessible.

In another sense, Central Fife was rather like the North
Lanarkshire growth area in that it contained several planning
authorities[72] and some prior local conflicts. These conflicts,
which were mainly between the local authorities and the new
town, occasionally spilled over into the working party meet-
ings. As will be seen, there was a certain amount of rivalry
centering around the new town and its growth prospects, and
the impact of this on the growth of the other communities in
the area.

- Deliberations of the Central Fife Working
Party -

As was the case in North Lanarkshire, the establishment
of the working party was preceded by meetings between the local
authorities in the area[73] and the Minister of State, initiated
by the latter. With the local authorities appointing their
representatives in early 1964, the working party machinery
was ready to function.

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[72] The County of Fife, the large burghs of Kirkcaldy and
Dunfermline and Glenrothes New Town.

[73] While Dunfermline was just beyond the growth area
boundary it was included in the discussions, and was represented
on the working party, along with Glenrothes, Kirkcaldy and Fife
County.

The first meeting of the working party was held on February 23rd, 1964. From the outset some doubts were expressed about the potential effectiveness of the working party machinery. One local official felt that elected members would resent any suggestion that officials of one authority were passing judgement on the affairs of another.[74]

To structure the working party's deliberations, the chairman (as with other working parties, a senior official from the Scottish Development Department) suggested that five topics be given special consideration - roads, water and sewerage, housing, industrial sites and rehabilitation.[75] Preliminary discussions quickly revealed a contentious issue which was to be a continuing source of controversy. Both Fife County and Glenrothes urged immediate construction of the East Fife Regional Road.[76] When the Scottish Development Department indicated that this project was not "on" at present, there was considerable resentment from all the local representatives.

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[74] Somewhat similar reservations were expressed at the first meeting of the North Lanarkshire working party.

[75] Again, note the similarity with North Lanarkshire where the working party was given an almost identical list of topics to consider. Greater Livingston, where the Lothians Plan provided a comprehensive framework for discussions, contrasts markedly with both North Lanarkshire and Central Fife.

[76] The East Fife regional road is the name associated with a long standing proposal to provide improved road communications between the Kirkcaldy, Glenrothes and Levenmouth areas of Fife.

It became increasingly clear that they regarded the regional road as a test of the Government's sincerity about growth areas. In their view, if special emphasis was to be given to Central Fife, and if considerable expansion was anticipated, then the construction of the road was justified.

The Development Department's handling of this potential impasse provides a fairly typical example of their ability to side-step and postpone divisive issues. It was agreed that technical officers from the Department and the three local authorities (Fife, Kirkcaldy and Dunfermline) would meet to discuss the regional road question. By the second working party meeting (one month later) the Department disclosed that insufficient information on the road was available and that a survey should be made after April 1965 to allow for the impact of the Forth Bridge. The local authorities concurred, but not before both Glenrothes and Kirkcaldy again argued that to assess the feasibility of the road on existing traffic patterns implied a lack of faith in the growth area programme. While this action to some extent served to shelve the road question for a year it was never far in the background and would return to prominence in later meetings.

The local authorities' response to the suggestion that the technical team established in connection with the regional road also look into the availability of suitable industrial sites in the area illustrated their tendency to adopt a cautious

and rather limited outlook. After considerable discussion
and expressions of reservation the suggestion was accepted,
with the proviso that the exercise would be concerned only
with the general availability of sites, not an assessment of
their comparative attractiveness. This qualification reflected
a concern which was to recur throughout the working party delib-
erations, that it was very difficult for local officials to pass
judgement on matters within each other's jurisdiction (in this
case the suitability of industrial sites).

Because of a feeling that the working party was too large
a body to discuss housing and rehabilitation it was decided
(at the second meeting) to establish groups for several areas:
(i) Kirkcaldy (ii) Dunfermline (iii) Inverkeithing - Donibristle
(iv) Cowdenbeath-Lochgelly and (v) Glenrothes and environs. In
addition to a more specialized focus, this approach also per-
mitted the involvement of the small burghs in the deliberations.

Expressing concern about the magnitude of the task of
rehabilitation (notably over 4,000 acres of derelict land
between Kelty and Cardenden), the Fife Planning Officer suggested
a survey might help, and noted the existing studies in Greater
Livingston and Grangemouth-Falkirk. The Scottish Development
Department replied that these areas had required comprehensive
studies because of substantial anticipated population increase,
and expressed the view that a preliminary survey of the extent

of dereliction in Central Fife could be carried out by the
Department and the County Council, in consultation with the
Board of Trade. The interesting thing about this exchange
is that three years later (as described below) the Department
itself would cite the Greater Livingston study in calling on
the working party to undertake a study of forward planning
and land use for the area.

The limited amount of private housing, especially in the
small burghs,[77] and the inadequacy of executive housing received
considerable attention at the next several working party meet-
ings. The Board of Trade cited a large firm who were complain-
ing that their future expansion in the area might be inhibited
because of the lack of housing. By the fifth working party
meeting (September 1964) the county reported that they had
informed private builders of the potential demand, with some
favourable response, and were now issuing to industrialists
a weekly list of all houses for sale.

Early 1965 saw two meetings with the Scottish Develop-
ment, the Board of Trade, and Fife and Dunfermline represent-
atives to examine the potential of the Bridgehead area,

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[77] Meetings between the Development Department and the
newly established working groups on housing and rehabilitation
revealed that since 1945 only 16 private houses had been built
in Inverkeithing, Cowdenbeath and Lochgelly (with a combined
population of 25,000).

stretching from west of Dunfermline to Dalgety Bay, and to consider a coordinated plan for development of the area. As a result of these meetings, the eighth working party meeting was informed that in the Bridgehead area there were 1,000 acres zoned or intended for private housing development and 540 acres for industry. No further action was planned immediately. According to Scottish Development Department officials, there was not sufficient "area consciousness" at this early stage of the working party deliberations to achieve the degree of coordination required for more thorough study.

Concern over accelerating pit closures led to a special meeting in early August involving the Board of Trade, Ministry of Labour, Development Department and Cowdenbeath. Acknowledging the local authority's desire to have a B.O.T. advance factory, the Board said they were considering a number of possible sites in Central Fife. However, two months later the Board of Trade announced an advance factory for Cowdenbeath.[78]

By this time, the regional road question was again receiving attention at every working party meeting. The origin and destination traffic survey on the road (which had awaited

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[78]
As will be seen, continuing erosion of mining employment led to additional Board of Trade advance factories in Fife, some of which appeared to be in conflict with the concentration of efforts on the growth area.

completion of the Forth Bridge) was completed in the Spring of 1965. However, delay in determining the line of the road brought strong complaints from the local authorities. The Development Department reported that they hoped to have the Draft Order for the line of the road by the end of 1965.

Rehabilitation was also absorbing more attention especially after Fife had submitted a proposal for an area of 2,500 acres with a population of 40,000 in the Mary Loch area.[79] By the thirteenth working party meeting (early 1966) Fife elaborated its rehabilitation plans. The intention was to provide recreational facilities and two industrial sites of 30 to 40 acres each. The County indicated their desire to talk to the Board of Trade and the Scottish Development Department about a possible large industrial project they hoped to secure for one of the industrial sites.

April 1966 saw one of a series of meetings involving the Scottish Development Department and the Scottish Special Housing Association concerning housing programmes, especially for the growth areas. In the case of Central Fife, it was disclosed that there were planning difficulties on most of the sites considered. The most likely prospects appeared to

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[79] When the Scottish Development Department mentioned that the Greater Livingston rehabilitation sub-committee was active and gaining useful experience, the Fife representatives expressed interest in attending their meetings.

be an extension of the site at Cowdenbeath,[80] and an extension

in Rosyth where the Scottish Special Housing Association was

already building 100 houses and where additional land was

owned by the Secretary of State. Later in the month the

chairman of the Housing for Industry Committee (of the Scottish

Economic Planning Board) reported to the Scottish Development

Department on the likely demand for housing for industry in

Central Fife.[81] In subsequent discussions the Ministry of

Labour emphasized the need for ample housing in good time in

Central Fife. It was pointed out that since the area lacked

skilled personnel in engineering, incoming firms must feel

that houses are available to attract the necessary workers.

There was agreement that priority be given in Central Fife for

a substantial Scottish Special Housing Association speculative

house-building programme.

Another meeting of interest in late April reflected the

continuing concern about the number of pit closures and the

provision of alternative industry. In attendance were the

Secretary of State and several other senior officials, the

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[80]
On which the Scottish Special Housing Association were
about to start 80 houses, and which could accommodate 400 or
500 houses in all.

[81]
This demand was measured in two ways: a general labour
availability survey, and a study based on detailed returns
from individual firms who intended to expand in the area.
The estimate for incoming workers was about 600 over the next
five years, virtually all in the first three years.

Board of Trade, the Ministries of Power and Labour and the
National Union of Mine Workers. The Union noted that since
1961 about 8,600 jobs in coal mining had disappeared in Fife
with only about 2,000 new jobs replacing them - of which
1,300 were for women. In reply the Secretary of State pointed
out that of the 21 advance factories announced the previous
year (1965) 17 of them were in coal mining areas.[82] A related
development less than two months later (June 1966) saw the
Board of Trade inform the working party of its intention to
build a second advance factory at Cowdenbeath and one at
Lochgelly. It was also reported that work was starting on
two Board of Trade advance factories at Leven.

Housing occupied much of the attention of the next three
working party meetings (over the fall and winter of 1966-67)
with Fife county criticizing what they felt was slow progress
in the construction of Scottish Special Housing Association
housing at Cowdenbeath. Other items included the inevitable
discussion of the regional road and Board of Trade reports on
the success of their advance factories in the area. It might
be noted that while an advance factory at Donibristle was
allocated and a firm application received for another at

[82]
From this statement it would not appear that the
advance factory programme was substantially directed toward
the reinforcement of growth areas.

Kirkcaldy, the Board reported that there was little interest

in the advance factories at Lochgelly, Cowdenbeath and Leven.

By mid-1967 there was growing concern about the future

of the working party.[83]   After a fairly vigorous beginning with

four meetings in five months and a total of six meetings in

the first year (1964), the working party had evolved toward

quarterly meetings which increasingly had little of substance

to discuss.   Perhaps symptomatic of its declining importance

was Board of Trade correspondence with the Development Depart-

ment (in early summer 1967) indicating that in future they

planned to attend the working party meetings only when there

was a specific industrial item on the agenda.   When informed

that the usefulness of the working party was under assessment,

the Board of Trade agreed to continue their participation for

the time being.

At the nineteenth working party meeting in October 1967,

the new chairman asked the members for their views on the

working party and its future role.[84]   Their replies are

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[83]
In fact, almost from the beginning there had been com-
plaints from the local authorities about the ineffectiveness
of the working party.

[84]
It may be recalled that the future role of the Greater
Livingston growth area working party was also being assessed at
this time.(Supra.p.127) In fact, the same senior Development
Department official had recently become the chairman of both
working parties and initiated reviews of each.   While the Greater
Livingston review had been expressed largely in terms of progress
in the various sub-committees and work still to be done,the Central
Fife assessment was much more a direct and critical look at the
working party itself.

summarized below.

Dunfermline wrote to the Development Department in support of continued working party meetings. They felt that they benefited from contact with the government departments and with their neighbouring local authorities. In fact they expressed a desire to see the membership extended to include such bodies as the Electricity Board and the new Regional Water Board.

In contrast, Glenrothes was quite critical of the working party. Their reply stressed that a useful meeting must lead to action, which was not the case with the working party meetings. They could not think of any discussions in four years which had resulted in the provision of a local facility at an earlier date, or more adequately than could have been arranged through the normal channels, or would have arisen in the natural course of events.[85] In their view the 1963 White Paper had implied positive new actions. Instead, Glenrothes felt that the working party could make no recommendations, had nothing to report and nobody to report to. They argued that an exchange of information and views on matters of common interest was not enough, and that the working party required a

[85] One may wonder to what extent the apparently futile efforts to get a specific Government commitment on the regional road may have influenced Glenrothes' assessment.

stronger brief.

Fife indicated that most of their necessary consultation with the Scottish Development Department officials was made directly, not through the working party. However, they felt that, although recent meetings had achieved little, they did help to promote and maintain understanding between the authorities and the Department.

Kirkcaldy also felt that the working party meetings were useful and provided an opportunity to meet other local authority officials and their Scottish Office counterparts. They saw the meetings as essentially a sounding board, and suggested that a more detailed agenda would be helpful.[86]

Underlying the Scottish Office's assessment of the working party there appears to have been increasing concern about the adequacy of planning in the area. As part of the East Central Scotland Land Use Transportation Study, population projections to 1986 were made for communities in the growth area. This exercise helped to reveal the unsatisfactory results of each local authority attempting to plan only within its own boundaries.[87]

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[86] As it happened, the Scottish Development Department had already planned to circulate an agenda before the next meeting. When items were requested, Kirkcaldy had no suggestions for the agenda; nor did the Board of Trade. Dunfermline proposed two items which were both regular discussion topics.

[87] For example, Regional Development Division reported to the Scottish Development Department that the Kirkcaldy population projections for the East Central Scotland Land Use Transportation Study were unrealistic unless related to a broader area.

At the next working party meeting (February 1968) the chairman announced that the meetings would continue, with wider representation when necessary. The Board of Trade would attend in future only when specific industrial items were on the agenda. It was also agreed that before the next meeting a note would be circulated on the follow-up action to be taken on matters raised in discussion. Both the wider representation and the follow-up procedure appeared to be responses to specific local authority criticisms of the working party operation. This meeting also saw Glenrothes somewhat disconcerted by the fact that two advance factories were available in Fife with free rent for five years. It was explained that these factories were in a Special Development Area designated by the Board of Trade because of mine closures.[88] This situation illustrates the potential conflict of interest facing the Board of Trade. It is not easy to reconcile fully the Board's commitment to fill advance factories, regardless of their location, with the build-up of industry in selected growth areas.

By this time there was a growing feeling within the Scottish Development Department and to some extent the Regional Development Division that a study was required of the future

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[88]
        As indicated earlier, continuing pit closures demanded Government response and to some extent diluted the growth area emphasis.

development of the Central Fife area, preferably undertaken by the working party itself as this would give it a specific task. As the above-noted local authority and new town comments indicated, the working party had reached a cross-roads. Without some major new responsibility it would lose any remaining credibility with most of its members.

At the next meeting the chairman expressed his view that the main difference between the Central Fife growth area working party and its counterpart in Greater Livingston was that the latter had a theme of coordinated policy running throughout its deliberations based on the Lothians Plan. While not advocating the same kind of study for Fife, he suggested that the relevant professional officers might meet to consider forward planning and land use in the area. An exploratory meeting was held in August 1968 and it was agreed that a physical planning study should be done by a group chaired by the Fife Planning Officer. After deciding on a future population for the whole area they were to attempt to suggest how this should be allocated among the various sub-areas, and also to indicate the future areas of industrial growth. When completed the study would form the basis for Development Plan revisions.[89]

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[89] Interview, October 21st, 1968.

Reporting on their exploratory meeting to the next
working party meeting (October 1968) the planning group ex-
pressed the view that the working party should arrange for
their councils to endorse the proposed exercise. However,
discussion indicated that this was essentially a matter of
liaison between planning officers and did not commit the con-
stituent authorities. In the latter event, it was agreed, the
councils would be involved. As outlined below, this new
planning study increasingly dictated the timing and agenda
of subsequent working party meetings.

With a report from the planning group not yet available
there was little substantive discussion at the next working
party meeting (February 1969), with most items simply follow-
ups to matters previously raised. However the following meet-
ing (June 1969) saw the planning group report that the 1,368
acres of land within the growth area zoned for industrial
purposes but not yet developed^{90} could support a population of
188,759. While it was unlikely that all this land would be
developed or the total population attained it was not possible
at this point to estimate what growth rate might be achieved.
After some discussion the working party endorsed the planning
group's intention of continuing their exercise and, by relating

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^{90}
Of this total, 448 acres were in Glenrothes, 388 in
Kirkcaldy, 162 in Dunfermline and 370 in the landward area
of the county.

potential growth to requirements for other land uses, preparing

a sub-regional land use plan. The chairman suggested that

after such a plan was prepared and discussed by the working

party it might be submitted to the local authorities, probably

followed by discussion with the Minister of State prior to in-

corporation of the plan's proposals into Development Plans.

One other item at this working party meeting is note-

worthy. Dunfermline disclosed that an article in the press

was their first indication that the line of the regional road

had been approved. They pointed out rather angrily that it

was their understanding that such matters of mutual interest

would be discussed informally by the working party before a

decision was taken. The Scottish Development Department replied

that this decision was subject to further studies (for example,

site investigations) and that there would be preliminary dis-

cussions before the line was statutorily advertised, at which

time comments would be invited from the local authorities.

No firm date was set for the next working party meeting.

It was to be held when an interim report was available from

the planning group, probably towards the end of 1969. However,

it was not until early June 1970 that the working party met

again. While there was some discussion of the unhealthy

employment situation in the area,[91] the main topic was a report

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[91] Since early 1969 a recurring item of discussion had
been the lack of employment opportunities for men and the
growing shortage of female labour.

from the planning group. Accepting the East Central Scotland Land Use Transportation Study figures of a 58,990 increase in population for the growth area between 1966 and 1986 the planning group suggested the following internal allocation of the increase: Glenrothes 33,000, Kirkcaldy 10,000, Dunfermline 8,000 and the landward area 7,990. However, Kirkcaldy indicated dissatisfaction with the figure quoted for them. In addition, the Scottish Development Department pointed out that the Registrar General's figures were not yet available for comparison, and it was agreed that the working party would discuss the matter again when these figures were released.

Almost another year lapsed before the next meeting of the working party (April 1971). At this meeting consideration was given to a planning group report which stated that there was more than enough land for industrial and residential purposes for either the population increase forecast by the Registrar-General or the more ambitious East Central Scotland Study projections. It was felt that the main problem might be ensuring an orderly pattern of development of land already zoned. The working party agreed that progress on the preparation of the sub-regional land use plan should now be reported to the constituent local authorities and that the planning group should turn their attention to which areas should be developed as priorities.

- Assessment of the Central Fife Working Party -

In reviewing the performance of the working party certain comparisons with North Lanarkshire suggest themselves. First of all, the composition of the working party, with four planning authorities and some prior conflict between the local authorities and the new town, did not augur well for future deliberations. As in North Lanarkshire, the local authorities in Central Fife were sceptical about the potential effectiveness of the working party machinery. Finally, the record suggests that the Central Fife working party often laboured under a lack of substantive matters to discuss.

There was another special problem which threatened to undermine the deliberations of the working party, particularly in the early stages. This was the local authorities' determination to make the regional road the critical test of the Government's commitment to the growth area policy. Initially, the adoption of this road project appeared to be their price for continued cooperation in the working party. However, while the road remained a contentious issue throughout the 1960s, it did not inhibit the deliberations as much as first appeared likely. Indeed, it is even possible that this issue had the opposite effect. The local authorities may have sanctioned the continuance of the meetings, no matter how generally unproductive, as a means of maintaining their pressure for the regional road. On this assumption the road

question could be considered a positive influence, in that
it provided one of the few topics of major interest to all
constituent authorities in the early years of the working
party.

Given the above-noted difficulties, it should not be
surprising that the working party gradually lost momentum.
There were simply not sufficient major items of common inter-
est to hold and channel the energies of the participating
authorities. As a result there was increasing frustration
as indicated by the local comments on the performance of the
working party, noted above. Too much of the discussion was
concerned with localized matters of interest to one authority,
or with general exhortations from the Scottish Office to
provide more housing, to step up rehabilitation efforts and
to ensure that there were adequate serviced industrial sites
in the area. Lacking was an underlying sense of common pur-
pose such as would have been provided by the existence of a
set of development guidelines for the area. The record
indicates that by late 1967 the working party was in danger of
collapse. Instead it was given a new sense of direction by
the Scottish Development Department's decision to have the
local authorities undertake the preparation of a long term
plan for the area. This raises the question of why such a
study was not launched earlier, but according to senior officials

in the Scottish Office[92] there would not have been sufficient

cooperation. In their view, by mid-1968 the deliberations

of the working party had engendered an area-consciousness

conducive to the carrying out of the planning study.[93]

While the preparation of a regional plan for Central

Fife is welcome, progress has been slow. Almost three years

effort by a planning group of the working party has established

that there is more than enough land for residential and indust-

rial purposes to meet population forecasts. However, the

critical question of priorities, of which areas should be

developed first and to what extent, has yet to be resolved.

The increasing involvement of the local elected representatives,[94]

while desirable, will almost inevitably complicate this exer-

cise. In fact, using the working party machinery to prepare

a regional plan may be open to question. The process tends

to be quite slow and the end product a compromise. On the

other hand it can be argued that if agreement can be reached

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[92] Notably interview on October 8th, 1968.

[93] However, applying this line of argument to the
Grangemouth/Falkirk area might suggest that a working party
should have been established there much earlier, rather than
waiting until a major study of the area was published.

[94] As noted above, the most recent working party meeting
saw a decision to report to the constituent local authorities
on the preparation of the regional plan.

on such a plan its chances of implementation are greater than
in the case of one prepared by outside consultants. Perhaps
the Greater Livingston experience provides the "happy medium",
with a plan prepared by outside consultants but with local
authorities involved early in the process, through a technical
committee and then through the growth area working party.

In summary, it can be said that for much of the 1960s
the Central Fife working party served to some extent as a two-
way pressure group. The Scottish Office urged the local auth-
orities to step up their efforts in, and develop an area-wide
approach to, such matters as the provision of housing and the
attraction of industry. In turn, the local authorities used
the working party to air complaints concerning Scottish Office
administration and to lobby for particular concessions, most
notably the regional road. Collaboration on the provision
of services - so characteristic of the Greater Livingston
working party - has not been pronounced, simply because there
has been relatively little build up of infrastructure in
Central Fife. In recent years efforts to prepare a regional
plan have given the working party a new focus and, if success-
ful, will provide an overall framework for development of the
area which has been conspicuously lacking in the 1960s.

Summary: The Experience of the Three Growth Areas

The experience of the three growth areas indicates that
the performance of any working party is affected by a number
of factors. Fundamental considerations are whether or not
the area in question has economic potential and the extent
to which the Government is committed to its development.
While the latter is very difficult to measure, the experience
of the North Lanarkshire working party suggests that its
significance should not be overlooked. It was earlier hypoth-
esized that the Scottish Office acquiesced in the demise of
the working party at least partly because it felt there was
a limited potential for expansion in the northern part of the
county and that efforts should be redirected to the increased
overspill of Glasgow population to out-county estates. In
contrast, there appeared to be a continuing commitment to the
development of Greater Livingston as evidenced, for example,
by the preparation of a Review measuring its progress and by
efforts to re-activate the area's Joint Planning Advisory
Committee. Similarly, when the Central Fife working party
was in danger of collapse in 1967-68 the Scottish Office took
the initiative and gave it a new sense of purpose by inviting
the local authorities to prepare a long term plan for the
area.

Closely related to the degree of Government commitment

is the extent to which guidelines for the working party
deliberations have been spelled out. Here again, the two
extremes are provided by Greater Livingston, where the
Lothians Plan provided a detailed framework for discussions,
and North Lanarkshire, where such an overall framework was
conspicuously lacking. In the case of the latter situation,
the working party tends to suffer from a lack of direction,
discussions often centre on items of interest to only one or
a few of the constituent authorities and generally there is
a lack of substantive matters requiring attention. This
pattern was increasingly evident in the record of the North
Lanarkshire working party and, to a lesser extent, in the
Central Fife working party until the task of preparing a
land use plan gave it a major new objective of interest to
all members.

The existence of a comprehensive study such as the
Lothians Plan does not, of itself, ensure an effective work-
ing party. In addition, of course, the constituent local
authorities should approve of at least the general provisions
of the plan, and exhibit a willingness to cooperate in its
pursuit. A comparison of the Greater Livingston and Grangemouth/
Falkirk growth areas is instructive in this respect. When the
main recommendations of the Lothians Plan were accepted by the
West Lothian and Midlothian County Councils at the beginning
of 1966 the officials on the working party were able to carry

out their discussions with the backing and approval of their elected representatives. This is probably the factor most responsible for the progress achieved in Greater Livingston. While Grangemouth/Falkirk also has a plan (in fact prepared by the same team of consultants), strong local authority disagreements apparently delayed the formation of a working party until 1969 and have threatened to hamper its effectiveness since then. In addition, it may be recalled that officials on both the Central Fife and North Lanarkshire working parties expressed concern about taking actions without specific approval from the elected representatives in the area. Therefore, the degree of commitment by the local councils and the history of local authority conflicts or cooperation also influence the performance of the working party.

Another limiting factor has been the cost of the growth area programme. While the 1963 White Paper called for greatly increased expenditures on developing the infrastructure, no special grants were instituted to ease the financial burden at the local level, where much of this increased expenditure would have to occur. This omission provoked increasing reaction. From the local authority's point of view, while it would eventually benefit from incoming population and industry,[95]

[95] Even this advantage is subject to qualification since 1967 because under the rate support grant increases in rateable value are offset by corresponding reductions in the amount of the grant.

it was first required to make substantial expenditures on
the provision of roads, housing, sewerage and other services.
This investment, according to the local authority, would be
at least partly speculative. As a result of Government economic
policies certain industrial and/or population growth was likely
to occur. However, there was no guarantee of such developments
and, if they failed to materialize, the burden of any mis-
directed expenditures would fall on the local ratepayers.
The local authorities therefore argued that special Govern-
ment grants should have been made available for "growth area
expenditures." As the working party records indicate, this
line of argument was articulated most fully by authorities
in Greater Livingston, notably Midlothian County. It is under-
standable that the area wherein the greatest physical progress
was made should have felt the financial pinch most keenly.
However, the same general attitude was also prevalent elsewhere.
For example, Airdrie expressed little interest throughout the
deliberations of the North Lanarkshire working party on the
grounds that internal projects would require all their avail-
able finances. Lanark County, partly because of its previous
experience with the financing of services to East Kilbride new
town, cautiously questioned the financial implications of the
growth area policy. Fife County also felt that there should
have been special grants for the growth area. This appeared
to be one aspect of their larger argument that more funds

should have been made available generally for the development
of the area, especially for the regional road.

To review, the main variables affecting the performance
of working party machinery would appear to be the extent of
Scottish Office and local authority commitment to the project
in question (the latter itself influenced by any prior history
of local authority conflicts), the existence of detailed guide-
lines for the working party deliberations (preferably in the
form of a plan for the area's development) and the availability
of finances. Even under the most favourable set of circum-
stances, however, there remain limits to what a working party
can reasonably be expected to achieve. It is not by nature
a decision-making body, but rather an advisory body of officials
whose interchange of information provides a basis for decisions -
decisions which, hopefully, are more in concert with regional
objectives than would be the case if the working party did not
exist. However, without formal executive powers the working
party must rely on persuasion and on the willingness of members,
and their elected representatives, to think in terms of the
area as a whole.

CHAPTER IV

REGIONAL DEVELOPMENT IN THE CENTRAL BORDERS

As previously mentioned, the 1965 to 1970 Scottish Plan devoted considerable attention to the regions of Scotland outside the central belt. In the case of the Borders, the Plan suggested that a population increase of 25,000 by 1980 was required to start the area back towards self-sustaining growth. It recommended that this population increase be concentrated on an existing centre, Galashiels, rather than scattered through each of the burghs in the area.[1] More specifically, the Plan called for the construction of 1,000 houses by the end of 1970 in an area south of Galashiels towards Darnick, "in order to make an immediate start with housing development."[2] In addition, the Plan proposed the appointment of a Planning Consultant to prepare an overall blueprint for future development in the Borders.[3] This

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[1] The Scottish Economy, 1965 to 1970, p.47

[2] Ibid., p.58

[3] The Secretary of State suggested that the study would divide itself into three phases:(1) Advice on the immediate extension of Galashiels south of the Tweed towards Darnick and on the general siting of the 1,000 houses to be built by the Scottish Special Housing Association by the end of 1970.(2) Advice on the programme for expansion of the population in the area by the attraction of an additional 25,000 by 1980 combined with a programme of industrial development.(3) Advice on the long term expansion of the area. Report to the Right Honourable The Secretary of State for Scotland re Amendment No.14 and Darnick Compulsory Order,1968,by William Munro,Q.C.,July 19th,1969,p.5. (Hereafter Munro, op.cit.)

blueprint appeared in mid-1968 in the form of the Central
Borders Plan.[4]   In addition to endorsing the Darnick project,
the Central Borders Plan called for a major population ex-
pansion at the small community of St. Boswells.

The difficulties encountered in attempting to implement
these two proposals illustrate the limitations of the Scottish
Office in pursuing regional development. While the Darnick
impasse arose mainly from the complex process of planning
law, the setbacks encountered by the Central Borders Plan
underline the need for local authority cooperation. The two
issues overlap to some extent but they are discussed separate-
ly in the hope of simplifying the presentation. This is
followed by a general analysis of the Borders Consultative
Group.

Delays at Darnick

The 1965 to 1970 Scottish Plan's proposal for a devel-
opment at Darnick required an amendment to the development
plan of Roxburgh County to permit the housing and associated
industrial development. However, when the county proposed
such an amendment it met with strong objections, especially
from the principal landowners in the affected area, a Mr. and
Mrs. Iain Hamilton. In the main, the objectors expressed grave

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[4]
  Scottish Development Department, The Central Borders:
A Plan for Expansion, Edinburgh, HMSO, 1968

concern about preservation of the amenity of the area, and also argued that there were equally appropriate alternative sites, notably Hollybush.

A public inquiry was held in June and July of 1967 with the Reporter (Sir Robert Russell) subsequently recommending the approval of the county's development plan amendment. On November 24th, 1967, the Secretary of State approved the said amendment,[5] and almost simultaneously the Scottish Special Housing Association announced that they would invest £4.5 million in building about 1,000 houses in the re-zoned area in the next few years.

However, the proposed development received a major set-back with the decision by Mr. and Mrs. Hamilton that they were not prepared to negotiate the sale of the 190 acres of their farm which comprised the majority of the area in question. Explaining their objection to Roxburgh County Council, they noted that the Central Borders Plan had only recently become available and argued that the opportunity should be provided for a reappraisal of the Darnick scheme in the light of this

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[5] "Subject to a modification the effect of which is to continue along the frontage of the industrial area the open space reservation shown further west between the residential area and the realigned road A6091." Decision letter on 7th Amendment, dated November 24th, 1967, Quoted in Munro, op.cit., p.1

Plan and "other important factors."[6] At a meeting on July 9th,

1968, Roxburgh County Council considered the question of a

compulsory purchase order for the land involved. Because of

a suggestion that the Hamiltons might be willing to accept a

modified development scheme for Darnick, the Council agreed

to defer until September a decision on this matter. They also

deferred a decision on proposed sewage works for the Darnick

development until more detailed information and estimates

became available.

Further attempts to negotiate with the Hamiltons proved

fruitless, however, and at their September 10th meeting

Roxburgh County decided on legal action. On September 18th

they submitted for the approval of the Secretary of State a

further development plan amendment (No.14) which provided for

alteration in the alignment of the A6091[7] and designated for

compulsory acquisition an area of 290.2 acres. At the same

time, the County submitted for approval a compulsory purchase

order for the acquisition of seven pieces of land forming the

above-mentioned 290.2 acres.[8] Formal objections lodged by the

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[6] Letter from the Hamiltons to Roxburgh County Council,
quoted in the Glasgow Herald, July 8th, 1968.

[7] As required by the Secretary of State in his qualified
approval of Roxburgh County's previous development plan amendment, described above.

[8] All owners except the Hamiltons had agreed to negotiate
but the county considered it expedient that the other six areas
should be included in the Order to ensure their acquisition.
Munro, op.cit.,p.5

Hamiltons forced the setting up of another inquiry, held in March 1969.

This inquiry saw further discussion about the appropriateness of the Darnick site (or Tweedbank, as it was increasingly called), and queries about what other sites had been considered. Much of the debate focused on the extent to which Darnick should be considered a "trigger scheme" which would spur other expansion in the Borders. In recommending in favour of the compulsory purchase order,[9] the Reporter for this second public inquiry (William Munro) noted the desirability of attracting a new population of 25,000 to the Central Borders at as early a date as possible. He found the site at Darnick suitable, describing it as central, attractive and already zoned for the purpose.[10] In his view, the disadvantages of the scheme were that it was expensive, there would be some unwelcome features in the layout, good class agricultural land would be used, and a productive farm destroyed.[11] However, and this appeared to be the crux of the matter, the Reporter expressed himself satisfied that a similar scheme on practically any of

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[9] "provided it is considered that its urgency justifies the expense involved", Munro, op.cit., p.39. The Reporter also recommended approval of the development plan amendment, again with qualifications.

[10] The Scotsman, August 5th, 1969

[11] Ibid.

the alternative sites suggested would involve delay and
uncertainty.[12]

With the Secretary of State's acceptance of the Reporter's recommendation, the scheme appeared to be underway once again. The same day, August 4th, 1969, the Board of Trade announced that they had authorized the building of a 10,000 square foot advance factory at Tweedbank (Darnick) as the start of an industrial estate. However, the opposition of the Hamiltons, reflected in their decision in early October to appeal to the Court of Session the Secretary of State's decision allowing the compulsory purchase of their land, again blocked the proposed development. By this time, some councils in the Borders were complaining that the protracted dispute over the Darnick development was keeping industry away, and that inquiries from industrialists were falling off.[13] The Scottish Special Housing Association expressed concern about the hold-up of £5 million planned housing investment.

The Hamiltons' appeal was heard by the First Division of the Court of Session in June 1970. While the details are beyond the scope of this study a brief reference to the legal

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[12]
Thus, as The Scotsman editorialized (August 5th, 1969), "The decisive factor is that there is a plan for Tweedbank, the Scottish Special Housing Association are ready to build houses, and work can begin soon."

[13]
The Scotsman, September 29th, 1969

arguments is useful because of their bearing on subsequent developments. Much of the Hamiltons' case centred on the alleged failure of both the Reporter handling the second inquiry and the Secretary of State to observe certain procedural requirements. The Court expressed considerable sympathy with this contention and indicated that the Reporter and/or the Secretary of State might indeed have been negligent in this regard. However, through an unintended and apparently previously undiscovered gap in existing law, the Hamiltons had no case, on the basis which they had used. The significance of this decision is that it appeared to leave the door open for the Hamiltons to appeal again on a different basis, and with a reasonable chance of success - a possibility which they did not overlook, as outlined below.

By this time (June 1970) an election had brought the Conservative Party to office. If the Hamiltons had entertained any hope that by holding out long enough they might be faced with a Government less committed to the Tweedbank proposal,[14] this prospect was soon ruled out. Speaking in the House of Commons during a special Adjournment Debate on Borders Development[15] on July 20th 1970, George Younger, the Scottish

[14]
    As suggested by some proponents of the scheme and noted in some press reports.

[15]
    This debate was initiated by David Steele, a Borders M.P., after learning that the Hamiltons intended to continue their opposition to the Darnick proposal.

Under Secretary of State for Development, stressed that "the concept of a growth point in the Central Borders is, therefore, very much in our minds, and I can say without equivocation that we accept Tweedbank as the place most likely to succeed in this respect."[16]

As Summer gave way to Autumn, the fate of Darnick remained uncertain. The Hamiltons said that if Roxburgh County took any steps toward implementation of the compulsory purchase order they would proceed immediately with a common law action of reduction,[17] the effect of which, if successful, would be to quash the compulsory purchase order, and that they would also apply for an interim interdict to bar the County from using the order. However, at the same time, they apparently indicated to the Scottish Office informally that they would refrain from legal action if the County would discard the compulsory purchase order and initiate a new one which would allow a further (third) inquiry. Assuming that there were no irregularities in this inquiry, the Hamiltons also indicated that they would not appeal the Secretary of State's ensuing decision by further court action unless very well founded.[18]

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[16] H.C.Debates,804 (1970-71), c.206.

[17] The logic of this approach was implied by the ruling of the Court of Session, outlined above.

[18] Understandably, details of this have never been fully disclosed, but this general outline of alternatives was reported in the Hawick Express, October 21st, 1970.

The new Conservative Government faced a difficult dilemma. Whatever course of action was taken, delay appeared inevitable, although probably less in the second alternative since a new public inquiry might take only six to nine months. The timing of a public inquiry would also be somewhat under the Secretary of State's control whereas further court action would take the matter completely out of his hands. In any event, Roxburgh County dictated the choice by deciding at a meeting on October 20th, 1970 to proceed with the compulsory purchase order.[19] They indicated that a declaration of entry would be filed under the compulsory purchase order on October 30th (which would allow them, after 14 days, to take possession of the land.)

The Hamiltons' response was swift and predictable. They launched an action of reduction which sought to have the compulsory purchase order set aside as being beyond the powers of the Reporter and the Secretary of State, on the grounds of irregularity in the inquiry procedure. It was also claimed that the procedure which had been followed was contrary to

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[19] While, as indicated above, there might have been some merit in a "tactical retreat" of abandoning the compulsory purchase order, the Council decision is understandable. According to press reports of their meeting (Hawick Express, October 21st, 1970) they felt they should proceed with a valid purchase order rather than in any way appear to be contributing to a further delay in the Darnick proposal.

natural justice.[20] The Hamiltons also applied for and received
(November 12th, 1970) an interim interdict which prevented
Roxburgh County from proceeding with the compulsory purchase
order until the new common law action could be heard.

As 1971 drew to a close the situation remained unchanged.
The latest Hamilton court action is expected to be heard
sometime before the end of 1971. Regardless of the outcome
an appeal to the Lords appears inevitable, suggesting that
no final decision will be forthcoming for approximately 18
months. Thus, in contrast to the 1965 to 1970 Scottish Plan's
call for the construction of 1,000 houses by the end of 1970,
the earliest possible starting date for the Darnick scheme,
if it is upheld by the courts, would appear to be the begin-
ning of 1973.

In summary, the continuing delays at Darnick illustrate
the limitations of the Scottish Office in attempting to pursue
regional development. While rather an unusual case, one reason
for outlining the Darnick story is its effect on efforts to im-
plement the Central Borders Plan, described below.

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[20] The Scotsman, November 11th, 1970

The Implementation of the Central Borders Plan

As previously noted, the report of the Planning Consultants appointed by the Secretary of State was published in April 1968. This Central Borders Plan called for a population increase of 25,000 to approximately 100,000 for the area by 1980. The basic recommendation of the Plan was the development of a regional city in the Tweed Valley by the expansion of existing towns. The Consultants stressed that it was not intended to create a solid mass of town development, but to plan the communities as interlocking and complementary settlements.[21] The Plan endorsed the implementation of the Darnick (Tweedbank) development expected to accommodate 4,000 population, and recommended that the existing towns should expand by 5,000 population as set down in the existing development plan proposals. In what was to become by far its most controversial feature, the Plan called for a major expansion (from about 2,000 to 10,000) at St. Boswells. On the basis of a technique known as "threshold analysis",[22]

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[21]
"For example, to build an ice-rink like the one at Kelso in every Border town would be costly and impracticable, but so long as the Borderers could get to a rink readily... then they would feel that they had the same facilities as city dwellers. In the same way...industries, offices, theatres, museums and other services available to the town dweller could all be provided." Scottish Information Office, Scottish Economic Development Quarterly Report, "Borders Special", Edinburgh, HMSO, 1968, pp.7-8.

[22]
This technique involved identifying the various barriers, or thresholds, crossing which would attract financial, economic or environmental penalties.

the Plan concluded that this site provided the greatest
potential for long term expansion. It was the assumption
that the existing towns were incapable of absorbing the
required population influx which provoked growing opposition.

As the local authorities in the area assessed the Central
Borders Plan, there was increasing agitation for more growth
in the existing centres. Indicative of the general reaction
was a meeting held in Galashiels on June 17th, 1968, to dis-
cuss the Borders Plan.[23] Most of the speakers called for a
smaller expansion at St. Boswells, and correspondingly greater
development in such communities as Earlston, Hawick, Selkirk
and Jedburgh.

The seriousness of this opposition to the selective
approach of the Borders Plan was vividly revealed when Roxburgh
County Council met on July 10th to consider the Plan.[24] A rep-
resentative from Hawick moved an amendment which called on the
council to support "realistic expansion of the existing burghs".[25]
He argued that the Borders Plan concentrated on the development
of two new centres of population—Tweedbank (Darnick) and
St. Boswells. While accepting Tweedbank, he contended that no

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[23] Reported in the Glasgow Herald, June 18th, 1968

[24] In May the Council had decided by a majority vote to
defer approval in principle.

[25] Quoted in the Glasgow Herald, July 8th, 1968

other new focal point of population should be established until the needs of the existing burghs had been fully satisfied. In this regard, he disputed the argument that the burghs could not economically absorb the proposed population expansion of 25,000. By overwhelmingly approving this amendment, [26] the County Council, in effect, rejected the Central Borders Plan.

The Minister of State responded by noting that the Scottish Office would study carefully the criticisms of the Plan made by the County. He stressed, however, that "it would be a tragedy if the development at Tweedbank were to be delayed while the arguments on the wider implications of the consultants' report are proceeding", pointing out that "both the Government and Roxburgh County Council are formally committed to develop Tweedbank promptly."[27] To understand the Minister's concern, it may be recalled that at this same July 10th meeting Roxburgh County had deferred a decision on a compulsory purchase order for the land needed for the Tweedbank development, and had postponed a decision on providing sewage works for the scheme.

Before the Minister of State could meet with the County to try to resolve the difficulties impeding development, a

[26]
Only two voted against the amendment, one being the convener who then resigned on the issue.

[27]
Quoted in the Glasgow Herald, July 12th, 1968.

further setback occurred. On July 15th, 1968, the Minister

of Transport announced in the House of Commons that the

Edinburgh-Hawick-Carlisle railway line was to be closed. The

decision was not altogether unexpected, as the closure had

been under consideration for two years. However, the timing

of the announcement was surprising, coming so closely on the

heels of Roxburgh County's rejection of the Central Borders

Plan, and just a few days before the Scottish Office was to

meet with the county.[28]

While the Scottish Office responded immediately with

plans for over £2 million expenditures for road improvements,

there was bitter and prolonged reaction against the proposed

closure. It was claimed that this decision went directly

against the Central Borders Plan which had declared that "the

closing of the Waverley line....would certainly have an un-

fortunate effect upon the fulfillment of planning targets in

the Borders."[29]   Much of the opposition was based on a feel-[30]

ing that the Minister of Transport had ignored or over-ruled the

viewpoints of most important organizations, including the

Scottish Transport Users' Consultative Committee and the Borders

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[28]
As The Scotsman sardonically observed (July 16th, 1968),
"Dr. Dickson Mahon is to meet Roxburgh County Council on Thurs-
day and it won't be easy for him to upbraid councillors for
jeopardizing the Plan."

[29]
Quoted in The Scotsman, February 15th, 1969

[30]
For example, statement by David Steele, M.P., reported in
The Scotsman, July 16th, 1968, and Letter by James Barr, President,
South of Scotland Chamber of Commerce in the Glasgow Herald,
July 20th, 1968.

Economic Planning Consultative Group.[31]   It was also argued

that the decision had been based on the existing usage of

the line, in spite of the fact that the Government was com-

mitted to a considerable expansion in the Borders. As The

Scotsman editorialized, this approach seemed to assume

"that none of the 25,000 extra who are expected under the

development plan would use the railway."[32]

As the furore over the rail closure continued, efforts

were being made to resurrect the Central Borders Plan. In

an informal meeting with the Minister of State on July 18,

1968, Roxburgh County Council agreed to prepare specific

alternative proposals to amplify their earlier decision that

Border development should be spread throughout the existing

burghs. These alternative proposals were approved by the

Council on November 12th, 1968. The essence of Roxburgh

County's new position was that:[33]

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[31]
    While the Chairman of the Borders Consultative Group
said that the decision at this time was a "major mistake",
he acknowledged that the case for retention had been "weaken-
ing all the time". The Scotsman, July 16th, 1968.

[32]
    The Scotsman, July 16th, 1968

[33]
    Statement by Roxburgh County Council quoted in the
Glasgow Herald, November 13th, 1968.

Proposals for the introduction of 10,000
additional population into the St. Boswells
and New Town St. Boswells area could have a
seriously adverse effect on the efforts of
the burghs to introduce additional population
and new industry. Expenditure on the pro-
vision of major services in the St. Boswells
area should be avoided, and the council feel
that overall benefits would be greater if
investment is made in the burghs to provide
the major part of the new population.

The Council went on to specify new enlarged growth targets

for Hawick, Galashiels and Jedburgh, and proposed that dev-

elopment at St. Boswells be restricted to an increase of

2,941, giving it a total of 5,000 by 1980 rather than the

Plan's projection of 12,185.[34]

In response the Minister of State convened a meeting

of all the local authorities within the Central Borders in

January 1969 to obtain their views on the Central Borders

Plan. With minor exceptions, the general position taken by

all the local authorities was that development at St.Boswells

should be restricted to a population increase of between 3,000

and 4,000, with any additional influx of population allocated

to the existing burghs, particularly Hawick. The local auth-

orities clearly felt that apart from the Darnick Development,

which they endorsed, any additional build up in the Central

Borders should first concentrate on expansion of the

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[34]
Ibid.

burghs.[35] While indicating that in his view both burgh expansion and the proposed expansion at St. Boswells were desirable, the Minister of State admitted a lack of agreement on the phasing of future expansion. Noting the strong support for Hawick as recipient of any future population influx, he suggested that a working party of technical officials from Roxburgh County and Hawick, under the chairmanship of the Scottish Development Department's Deputy-Chief Planning Officer, should make a full appraisal of Hawick's capacity.

The Minister of State also suggested that the existing Peebles, Roxburgh and Selkirk Joint Planning Advisory Committee,[36] with the possible addition of a Development Department official, would be the most appropriate mechanism for future coordination of efforts in the Central Borders. He noted that there might also be value in having representation from the Borders Consultative Group, as this would provide

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[35] As will be seen in Chapter Five, much the same situation arose in North Lanarkshire when a land use working party attempted to decide on the most suitable location for a substantial population influx from Glasgow under the out county estate programme outlined in the 1965 to 1970 Scottish Plan. While Lanark County and the Scottish Development Department both favoured a new settlement in the southern part of the county, the large burghs in North Lanarkshire claimed that they could and should absorb the incoming population.

[36] Established toward the end of 1967, apparently at the suggestion of the Borders Consultative Group as described below.

for the continuing involvement of the Scottish Economic
Planning Council. As additional steps which might be con-
sidered he cited the appointment of a Development Officer
for the area and the possible establishment (under the Town
and Country Planning (Scotland) Act, 1947) of a Joint Planning
Authority. It was agreed that a meeting would be held again
to consider future steps after the Hawick working party report-
ed, probably in six to nine months.

In fact, it was more than a year, March 20th, 1970, when
the working party completed its report. Its key conclusion
was that Hawick could absorb a considerable population influx.
As a partial explanation of this apparent contradiction of
the Central Borders Plan, the report noted that "water and
drainage were the principal difficulties highlighted by
Professor Johnson-Marshall but these difficulties have now
been largely removed."[37] It went on to explain that a water
scheme expected to be completed by the Water Board by the end
of 1971 would allow further expansion in Hawick and that sew-
age treatment works could be improved by stages. The report
therefore proposed that provision be made for the accommodation
of some 2,500 to 3,000 more people in Hawick between 1969 and
1974.

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[37] Press Release issued by the Scottish Office, "Hawick
Working Party Report Published", March 20th, 1970, p.1

The effect of this report, though not officially acknowledged, was to turn the emphasis away from the build-up at St. Boswells proposed by the Central Borders Plan, and to accept in large measure the expansion of the existing burghs, particularly Hawick. To a large extent, however, this did little more than confirm what was actually taking place. While regional initiatives in the Borders had been undertaken to combat the depopulation of the area, vigorous efforts on the part of a number of the burghs (particularly Hawick, Kelso, Jedburgh, Peebles and, more recently, Galashiels) had been successful in attracting some industry, with the result that by 1968-69 there was a marginal increase in the population of the Central Borders.[38] The report of the Hawick working party made an oblique reference to this development by asserting that "Events in Hawick have moved more quickly than could have been anticipated by the recent regional studies", and "industrialists from the South are favourably impressed with the environmental and working conditions in the Borders."[39]

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[38] A number of specific examples of firms recently attracted to these Border communities are contained in an article by David Steele, M.P., in The Scotsman, January 26th, 1970 (State of the Nation - Part One)

[39] Press Release, Hawick Working Party, op.cit., p.1

In accepting a change in emphasis in Borders development
the Scottish Office were influenced not only by the unexpected
success of the burghs in attracting industry but also by the
fact that any major expansion at St. Boswells was solidly
opposed by the local authorities, notably Roxburgh County
Council. Indeed, the County publicly stated that their policy
on St. Boswells called for only 3,000 additional population
and a sixty acre industrial site near Charlesfield by 1980,[40]
which would bring the total population to less than half of
the 12,000 figure suggested by the Central Borders Plan. It
is very likely that the continuing uncertainty over the Darnick
project was another factor in the decision to accept burghal
expansion.[41] With this major development still not underway
there was a natural reluctance on the part of Roxburgh County,
quite possibly shared by the Scottish Office, to embark on
another major build up, especially in an area such as
St. Boswells where it would again be necessary to acquire con-
siderable land presently in private hands.

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[40]
Roxburgh Planning Department, St. Boswells Planning
Report, September 1969.

[41]
This was intimated in an interview with a senior
official in the Scottish Development Department, May 27th,
1971.

Given these factors, the shift in emphasis is under-
standable. However, in the long term the proposed major
expansion at St. Boswells is still desirable because within
the burghs few large sites are available (or could be provided
because of physical thresholds) for meeting the needs of large
incoming industry. The Minister of State indicated this situ-
ation during the House of Commons Borders Debate, previously
mentioned. While praising the commendable initiative of local
authorities in attracting firms, he noted that "very few large
sites are available or can be provided in the burghs to cater
for the needs of bigger incoming industries,"[42] and added that
it is "essential that provision for the future should not stop
short with Tweedbank and nothing else."[43] In this latter
connection he welcomed Roxburgh County Council's intention of
"establishing a large industrial site with some supporting
housing in the New town St. Boswells area by 1980."[44] It would
appear then that the Scottish Office still favours the build
up of St. Boswells but has accepted that it will have to take
place on a delayed basis (that is, after burgh expansion) and
possibly on a smaller scale.

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[42] H.C.Debates,804 (1970-71), c.207

[43] Ibid.

[44] Ibid.

Summary

It is increasingly clear that one of the basic recommendations of the Central Borders Plan - that is, the proposed major growth of St. Boswells - has been substantially abandoned, at least in the short run. Instead, largely in confirmation of developing trends, the expansion of existing burghs, principally Hawick, has been accepted. The modification of the Central Borders Plan provides a further illustration of the limitations of the Scottish Office, and even more so of the important role of local authorities, in the pursuit of regional development. In simplest terms, while a comprehensive plan for growth was prepared by a team of experts and endorsed by the Scottish Office, certain of its major proposals did not meet with the approval of the local authorities in the area, without whose support the plan could not be implemented.

The fate of the Central Borders Plan is also of significance in relation to the earlier examination of growth area policy. In recommending that much of the future population influx be concentrated in a single area, St. Boswells, rather than scattered among existing communities, the Plan incorporated what was essentially a growth area approach. In this case the underlying rationale was a threshold analysis which indicated limited capacity for expansion in the existing burghs, but the end result was a call for the concentration

of development efforts on the area which apparently had the
greatest potential, if not for self-sustaining growth, at
least for physical expansion.

Given this approach, the reaction of local authorities
to the Central Borders Plan was understandable, fairly pre-
dictable, and in conformity with past developments. Any
policy which focuses on the expansion of one or a few areas,
regardless of its validity,[45] induces an inevitable outcry[46]
from areas not singled out for similar special attention.
This phenomenon has been noted previously in the agitation
from local authorities not designated as growth areas in
1963, or as Development Areas in 1966. It was also evident
in the disenchantment of the so-called "grey areas" and led
to the establishment of the Hunt Committee in 1967. A
similar attitude prevailed in the large burghs of North
Lanarkshire when they were faced with the prospect of a large
overspill of Glasgow population going to a new community in
the landward area of the county. (See Chapter Five). Charact-
erized by a strong pressure to dilute whatever selective

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[45]
    In this particular instance, it would appear that the
opposition to the policy of concentration, at least by
Hawick, was not without some validity.

[46]
    As the Board of Trade observed to the Select Committee
on Scottish Affairs (S.C.S.A. Minutes, 397, p.143) "Boundaries
always cause problems....There is always somebody outside
them."

approach is being attempted, this common reaction constitutes

what might be termed the political limitations of a growth

area policy.

The Role of the Borders Consultative Group

No research has been specifically undertaken on the

role of the four economic planning consultative groups

whose establishment was noted in Chapter Two. However, the

examination of developments in the Borders did provide a few

insights into the role of the Borders Consultative Group.

This together with certain other material[47] forms the basis

of the discussion which follows.

At the time of their establishment the Secretary of

State indicated that the functions of the consultative groups

were "to assist in the working up of plans for the developing

of the economy of the area, to ensure wider understanding of

these plans, and to facilitate cooperation by all concerned

in their execution."[48] Much the same objectives were stated

by the Regional Development Division in a memorandum to the

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[47] Principally the Report and Minutes of Evidence of the
Select Committee on Scottish Affairs (op.cit.), and unpublished
Notes on the Borders Consultative Group, 1966-67, by W.J.Money
and Janet Sleeman, University of Glasgow.

[48] Statement from the Secretary of State's letter, dated
May 23rd, 1966, inviting appointees to become members of the
Borders Consultative Group. Quoted in Money and Sleeman, op.cit.

Select Committee on Scottish Affairs:[49]

> In short, they have a two-fold function: to
> spread in their areas a wider understanding
> of economic problems and policies by giving
> local people direct access to senior Govern-
> ment officials, and to Ministers, and con-
> versely to give Central Government immediate
> access to a conspectus of informed opinion
> in the regions...They are essentially an ex-
> periment in local participation in economic
> planning and in helping achieve a construct-
> ive approach by local authorities and others
> in sinking local rivalries and cooperating
> in the economic interest of their area as a
> whole.

As miniature economic planning councils, the consult-

ative groups shared several features of the parent Scottish

Economic Planning Council. Their members were appointed by

the Secretary of State and were drawn from local government,

industry, commerce and various regional interests. The groups

were also closely linked to the Scottish Office. One of their

members, in recent years the chairman, has always been a member

of the Planning Council. More significantly, these groups,

like the Planning Council itself, have been serviced by the

Regional Development Division and have operated very much on

its initiative. This can be seen in Sir Douglas Haddow's

acknowledgement of statements by members of the Select Committee

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[49] S.C.S.A., Minutes, 397, p.5

on Scottish Affairs that a consultative group "normally
works to papers and agenda fixed by the Scottish Office on
which it passes comment" and that "if it has anything else
to say it is requested to put this up for a subsequent
agenda with papers to be worked on, etc."[50] Finally, the
consultative groups, like the Planning Council, have been
hampered by the closed nature of their meetings[51] and the
lack of publicity surrounding their deliberations. The Select
Committee on Scottish Affairs queried the confidentiality im-
posed on members of the group and were told that this involved
"not repeating the cut and thrust of debate, but giving the
general drift of it."[52] In other words, it was hoped that
members would foster a wider understanding of economic issues,
but they should not disclose specific arguments or individual
points of view expressed during meetings.[53]

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[50]
S.C.S.A.Minutes,397,p.112. It should be noted that Sir
Douglas apparently did not see this as a disadvantage,remark-
ing that "I am not sure if this is a criticism. I would have
thought that was a sensible way of doing it." (Ibid.,p.112)

[51]
For example, during discussions by the Select Committee
on Scottish Affairs, John Mackintosh complained that he and
David Steele (both Border MPs)could only attend meetings of
the Borders Group held in their own constituency,which he re-
garded as quite unsatisfactory.(S.C.S.A.Minutes,397,pp.108-9)

[52]
Ibid.,p.113

[53]The question of the extent to which members are free to
discuss issues and disseminate information is considered in
more detail in the examination of the Scottish Economic Planning
Council, below.

Given these general characteristics, any assessment of
the performance of the consultative groups is difficult and
to some extent speculative. Even in those instances where
their activities do receive publicity it is open to question
whether the initiative should be ascribed to the Group or the
Scottish Office itself, acting through the Group. The fact
that the Scottish Office, not surprisingly, takes every
opportunity to praise the contributions of these bodies, com-
pounds the difficulty. However, the following comments attempt
to shed some light on the functioning of the Borders Consult-
ative Group.

The 23 members of the Borders Consultative Group held
their first meeting in June 1966. According to Money,[54] the
Group met eleven times (approximately every two months) up to
the end of 1967, with ten of these meetings being held in
different Border towns (the eleventh was in Edinburgh).[55] While
an official Government publication credits the group with con-
sidering "problems of industrial steering, communications, and
labour supply",[56] in its first few months in operation, the

[54]
Money and Sleeman, op.cit.

[55]
This pattern has continued and the Select Committee on
Scottish Affairs were informed that the Borders Consultative
Group had held meetings "in every town in the Borders".S.C.S.A.
Minutes,397,p.107

[56]
Scottish Information Office, Scottish Economic Development,
Quarterly Report, No.3, October 1966,Edinburgh,HMSO.p.4

main concern of the group from its inception was the Central

Borders Plan. It apparently kept in close touch with the

Consultants preparing the Plan, with the Consultant Director

regularly attending meetings of the group to outline progress.[57]

However, Money is quite sceptical about the value of this ex-

change and claims that "the Group's advice has not been asked

for on any specific points while the study was in progress,

and the comments which have arisen have been peripheral."[58]

The role played by the Consultative Group during the early

stages of the Darnick dispute was also minimal according to

Money. As an example of the value of the Group a senior official

in the Scottish Office had cited their endorsement of the Darnick

scheme and the testimony of the group's chairman at the first

public inquiry in 1967.[59] In Money's view, however, "the Group's

role appears to have been that of an interested spectator."[60]

He contends that initially the group were cautious and felt

that the amenity value of the area should be preserved. While

they later gave their support to the proposed development plan

amendment which would permit the development, he notes that the

chairman's views at the public inquiry "were not stated in the

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[57] Scottish Economic Development, October 1966, op.cit.,p.4

[58] Money and Sleeman, op. cit.

[59] Interview April 2nd, 1968.

[60] Money and Sleeman, op. cit.

report."[61] Money concludes that "as far as one can see, the

Group as a whole played little part in educating public

opinion on the need for the Darnick development."[62]

Subsequently, however, especially in connection with the

difficulties facing implementation of the Central Borders Plan,

the Borders Consultative Group appeared to play a useful and

responsible role. This was particularly evident during the

Summer of 1968 when Roxburgh County's rejection of the Plan

had created an apparent impasse. In this difficult situation

the Group responded by recommending a compromise plan to the

Secretary of State on August 26th, 1968. They noted that the

Central Borders Plan had allowed for an increase in population

of 3,500 at St. Boswells and 450 at Hawick by 1976. Comment-

ing on the strong public objections, the Group recommended

that the proposals be re-examined to allow Hawick to expand

by about 2,000 in the first phase of the Plan, with growth

at St. Boswells restricted to a similar figure[63] - in other

wor ds, the combined increase of 4,000 would be divided equally

between the two centres. The significant factor is not the

economic soundness of the Group's proposal, but the concili-

atory role in which they cast themselves. Rather than simply

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[61]
  Ibid.

[62]
  Ibid.

[63]
  Reported in the Glasgow Herald, August 27th, 1968.

mouthing Government policy or reflecting the views of the
local authorities, the Borders Consultative Group appeared
to see their role as attempting to formulate a proposal
acceptable to both the Border communities and the Scottish
Office. Another possibility must be considered however.
The Group's compromise proposal could have been "planted" by
the Scottish Office as a sort of trial balloon.[64] As previous-
ly noted, it is almost impossible to know the origin of views
espoused by the Group.

The Scottish Office gave particular emphasis to the
Borders Group when queried by the Select Committee on Scottish
Affairs on the value of the consultative groups. Full credit
was given to the Group for "the new sense of cooperation be-
tween the local authorities that is so important, and the new
initiatives that have flowed."[65] It was also stated that "they
have had a marked effect in introducing changes in the strategy,
for instance, of the Central Borders Plan. Much more emphasis
has been placed on Hawick as a result of the views through the
Group and through the authorities."[66] It would appear that the

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[64]
One close observer of the Borders scene strongly endorsed
this interpretation; interview on July 17th, 1971.

[65]
S.C.S.A. Minutes, 397, p.107

[66]
Ibid., p.107

Scottish Office was overly generous in crediting the Borders
Group with influencing the shift in emphasis to Hawick. As
the foregoing analysis indicates, this change appeared to be
a response to the views of local authorities in the area and
a recognition of the prevailing trend in Borders development.

By the end of the 1960s a number of other initiatives
attributed to the Borders Group were bearing fruit. A Register
of Skills operation had been set in motion with the object of
attracting people back to the region. Early official indi-
cations were that there had been an encouraging response to
this project, code-named "Borders Build-up".[67] In addition,
a new film entitled "The Borders: Where England and Scotland
Meet" had been produced for the local authorities "for world-
wide distribution to help attract industry and people to the
Borders."[68]

However, by this time at least some aspects of the
Group's role gradually were being assumed by the Peebles,
Roxburgh and Selkirk Joint Planning Advisory Committee, which
had been established toward the end of 1967. This greater
involvement of the local elected representatives was in fact
welcomed and encouraged by the Scottish Office, as evidenced,

[67] Scottish Information Office, Scottish Economic Develop-
ment Quarterly Report, No. 17, April 1970, Edinburgh, HMSO, p.6

[68] Ibid., p.6

for example, by the Minister of State's suggestion to the

January 1969 meeting with Border local authorities (described

above) that the Joint Planning Advisory Committee would be

the most appropriate mechanism for future coordination of

efforts in the Central Borders. This appeared to be one

instance of a general effort by the Scottish Office to increase

local authority participation and cooperation in all the regions

of Scotland,[69] prompted, in part at least, by the impending re-

structuring of local government. A further indication of this

approach is to be found in the Scottish Office's evidence to

the Select Committee on Scottish Affairs. While the valuable

contribution which the Borders Consultative Group made to the

establishment of the Joint Planning Advisory Committee was

stressed, Sir Douglas Haddow observed that "the present groups

may help create an atmosphere in which a more effective struct-

ure of local government becomes possible and within which the

groups may then be assimilated and disappear in their present

form."[70] This emphasis has been continued and extended under

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[69]
For example, during this same period the Greater
Livingston Joint Planning Advisory Committee was re-activated
and, more recently, it has apparently assumed from the Scottish
Office the general direction of the growth area working party.
In addition, the Scottish Office has been encouraging the for-
mation of development authorities along the lines of the North
East Scotland Development Authority (NESDA).

[70]
S.C.S.A. Minutes, 397, pp.113-14.

the present Conservative Administration. On this basis one would expect the Borders Consultative Group gradually to give way to the existing Joint Planning Advisory Committee and other local coordinating bodies which may follow.

In summary, if the Borders Consultative Group has not lived up to its objectives, it may be because these objectives were too grandiose, given the nature of the group. The part-time status of its members[71] and the strong direction exercised by the Regional Development Division restricted the initiative of the group, while the secrecy surrounding its deliberations made it difficult to promote a wider understanding of economic issues facing the area. In spite of this the Group promoted a number of worthwhile ventures, and appeared resourceful and responsible in advocating a compromise solution to the impasse facing implementation of the Central Borders Plan. Powerless itself to coordinate the activities of local authorities, the Group pressed for the establishment of a Joint Planning Advisory Committee to work toward this end. Increasingly it is through this Committee, the possible creation of other joint local authority bodies, such as a Development Authority, and ultimately the restructuring of local government itself, that regional development programmes for the Borders will be implemented. In advance of these developments, when parochial

[71] Meetings occupied from 30 to 40 hours per year. S.C.S.A.,Minutes,397, p.110

attitudes and an inappropriate local government structure prevailed, the main contribution of the Borders Consultative Group may have been the encouragement (partly through the establishment of the Joint Planning Advisory Committee) of a new spirit of cooperation among Border local authorities. If this is less than was demanded of the Group by its terms of reference, it is also probably as much as realistically could be expected from such a body.

Summary

As with the growth area experience outlined in the previous chapter, developments in the Borders illustrate the Scottish Office's limited role in the pursuit of regional development and the importance of inter-governmental and intra-governmental coordination. This was particularly evident with respect to the Central Borders Plan, with the attitudes of the constituent local authorities influencing a significant shift in the emphasis of regional development efforts. Even more than the growth areas, the Borders lacked adequate administrative machinery for achieving coordination among local authorities and between local authorities and the Scottish Office. As indicated above, such machinery is likely to come in the form of a re-structured local government system.

CHAPTER V

OVERSPILL AND REGIONAL DEVELOPMENT: THE EXPERIENCE OF THE OUT-COUNTY ESTATES

One of the main proposals of the 1965 to 1970 Scottish

Plan was for the development of certain "suitable locations

in Central Scotland" where population overspill could be

combined with new industry steered by the Government.[1] It

went on to designate Erskine, Larkhall/Stonehouse and

Lennoxtown as areas where schemes "could start to become

effective in the last two years of the decade."[2] This led

to the adoption of what became known as the out-county estate

programme. As one of the major regional initiatives in Central

Scotland in the second half of the 1960s, this programme bears

closer examination. Of particular interest to this study is

the extent to which efforts to promote an increase flow of

Glasgow overspill to particular areas were hampered by the

difficulty of obtaining agreement among local authorities

and between local authorities and the Scottish Office. Of

the three areas specified in the Scottish Plan, work has been

started only at Erskine and then only after substantial modi-

fications in the scheme as originally conceived. Even greater

delays and modifications are evident in the case of Larkhall/

Stonehouse where not until March 1971 was a firm decision

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[1]
The Scottish Economy, 1965 to 1970, p.39

[2]
Ibid., p.57

taken to proceed with a new town development. No agreement
has been reached on Lennoxtown. Before examining the ex-
periences of the out-county estate programme it is useful to
consider the reasons for the increased emphasis on overspill
in the mid-1960s and the nature of the new approach.

Why a New Overspill Programme?

Since the advisory reports on Central Scotland shortly
after the war,[3] increasing attention has been given to Glasgow's
housing problem and how best to deal with it. This was the
rationale of the new towns of East Kilbride and Cumbernauld,
and later the concept of Glasgow overspill given statutory
authority in the Housing and Town Development (Scotland) Act
of 1957. By the end of the 1960s overspill agreements under
this legislation had been signed with some sixty local auth-[4]
orities.

Within the Scottish Office, however, there was growing
concern about the rate of Glasgow overspill. It was noted

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[3] Particularly the 1946 Abercrombie Report on the Clyde
Valley. Clyde Valley Planning Advisory Committee, The Clyde
Valley Regional Plan 1946, a report prepared by Sir Patrick
Abercrombie and Sir Robert Mathew, Edinburgh, HMSO, 1949.

[4] Information provided by the City Factor's Office,
Glasgow Corporation.

that to achieve Glasgow Corporation's official target of

200,000 people overspilled between 1960 and 1980[5] would

require approximately 10,000 per year, not the 6,000 to

8,000 average of the early 1960s. Moreover, there was a

feeling that a much larger volume of overspill would ulti-

mately be required. One indication of this attitude was

the statement by the Minister of State in early 1969 that

"the overspill programme was designed some years ago and

it is current Government policy that Glasgow ought to shed

some 300,000 citizens altogether to bring the total within

the present city boundaries to around 700,000.[6] In large

part this concern for increased overspill reflected the

realization that by the early 1970s the only land within

Glasgow available for housing would be within redevelopment

areas and that two or three times as many people would have

to be removed from these areas as could be put back into them.[7]

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[5] The existing approved Glasgow Development Plan (1960) pre-
scribes a target population of 900,000 for 1980, which pre-
supposes overspill of about 200,000 in that 20 year period.

[6] Scottish Information Office, Scottish Economic Development,
Quarterly Report,No.13,April 1969, Edinburgh, HMSO, p.1.

[7] As pointed out in The Springburn Study,"Glasgow's problem
is particularly acute,for it has more high density and substandard
housing than any other British city. Over one-third of the popul-
ation were living at densities of over 1.5 persons per room at the
1961 Census compared with less than 11% in Birmingham and less
than 12% in London and Liverpool. Glasgow Corporation Planning
Department,The Springburn Study, urban renewal in a regional con-
text,by Glasgow Corporation Planning Department and Glasgow
University Department of Social and Economic Research,(1968),
para 4.53.

Both the nature of the reception areas (that is, those areas which have signed an agreement to receive Glasgow overspill) and the terms of the overspill agreement have contributed to the unsatisfactory rate of progress. The reception areas are scattered throughout Scotland and about one-third are either too small or too remote to attract in-[8] dustrial development. The farther the reception areas are from Glasgow, the smaller is the overspill as local labour is recruited first, with employers only looking to Glasgow for special or scarce skills. As a result, much of the population overspill has been concentrated in a few centres within commuting distance of Glasgow. Specifically, 46% of the 13,034 houses occupied by the end of September 1966 were in East Kilbride and Cumbernauld and a further 29% were in Linwood, Johnstone, Kirkintilloch and Barrhead.[9] Nearly all other overspill has been confined to a few areas attractive to industry, such as Irvine, Grangemouth, Glenrothes and Haddington.[10]

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[8]
Ibid. para 5.74. The same observation is made by G.C. Cameron and K.M.Johnson in Regional and Urban Studies, edited by Sarah C. Orr and J. B. Cullingworth, University of Glasgow Social and Economic Studies, Allen and Unwin, 1969, when they note (p.268) that "The overspill reception areas are typically small and relatively inaccessible labour markets."

[9]
The Springburn Study, op.cit., para 4.75.

[10]
Ibid., para 4.75.

Some difficulties arise from the fact that under the
overspill agreements tenants are selected from Glasgow's
approved housing list not for their contribution toward
Glasgow's housing problems but in accordance with the em-
ployment needs of the receiving area. As a result, over-
spill has depended upon the creation of a sufficient number
of attractive employment opportunities in the reception areas
and has made an indirect and slow-moving impact on Glasgow's
housing shortage.

The New Approach: Out-County Estates

The 1965 Annual Report of the Scottish Development
Department emphasized the need to speed up the rate of
Glasgow overspill.[11] It estimated that in the 1970s some
2,500 to 3,500 houses a year would have to be built for
Glasgow tenants outside the City - over and above those for
new town and overspill agreements. To meet this need the
Government proposed an out-county estate programme which
called for a county council to allocate land and provide
basic services, Glasgow Corporation to build a proportion
of the houses and the Scottish Special Housing Authority
the remainder, with the rates payable to the receiving
authority. So that the overspill would be directly related

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[11]
Scottish Development Department, Report for 1965,
Cmnd. 2948, Edinburgh, HMSO, 1966.

to Glasgow's clearance programme, the new scheme provided
that the tenants would be selected by Glasgow Corporation
and that their move must in some way relieve Glasgow in the
short run of the need to build a house.[12] To reduce the
rigidity of phasing population movement with the availability
of jobs in the receiving areas, a task which had been inhibit-
ing the overspill programme, it was proposed that the new
receiving areas be within commuting distance of Glasgow.
Tenants would not necessarily be changing jobs when they
moved.

The implementation of these new proposals called for
close cooperation with the planning authorities of West
Central Scotland. As the 1965 Report of the Scottish Devel-
opment Department noted, the basic problem was that "in most
of the burghs of the Glasgow conurbation no long term assess-
ment has yet been made as to whether there is a gap between
the need for land and the amount available within each burgh
and, if so, how large that gap is and when it will become
evident."[13] Accordingly, the Department entered into

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[12] Under the previous arrangements Glasgow was asked to
give final approval after the receiving authority had approved
an individual's application. Since Glasgow was concerned with
relieving their housing problems and the receiving authority
with obtaining skilled personnel to aid its industrial expan-
sion, potential conflict was built in.

[13] Scottish Development Department, 1965, op.cit.,p.16

consultations with the planning authorities adjacent to
Glasgow. The counties of Lanark, Renfrew, Stirling and
Ayr were asked to survey their own future land requirements
and the extent to which they could contribute to an expanded
programme of Glasgow overspill. To this end joint land use
working parties of local authorities and the Scottish Devel-
opment Department were established in Renfrewshire and
Lanarkshire in 1966 and Ayrshire in 1967.

Since Erskine (in Renfrewshire) and Larkhall/Stonehouse
(in Lanarkshire) have been the only two major developments
initiated to accommodate increased Glasgow overspill their
experiences are outlined below. The background of the
Larkhall/Stonehouse story is particularly relevant in two
respects. Much of the early deliberations concerning this
area took place in a land use working party and they illustrate
both the difficulties of obtaining local authority agreement
and the limitations of this type of joint consultative body.
Moreover, the fact that this land use working party comprised
the same local authorities as the earlier, ill-fated North
Lanarkshire growth area working party permits some useful
comparisons. First, however, the Erskine development is
examined.

The Erskine Story

It should be noted at the outset that the initiative
for a new community at Erskine came from Renfrewshire. As

early as March 30th, 1965, the County's Director of Planning
submitted to Planning Committee a memorandum concerning
regional population movement and industrial-commercial ex-
pansion in the Clyde Estuary. Among the proposals approved
by Renfrew County Council was the creation of a new town at
Erskine.[14] Thus by the time the Renfrewshire land use work-
ing party was functioning in 1966 the county was already
preparing a development plan amendment providing for the
creation of a new community of about 30,000 people at Erskine.
Before this working party reported,[15] the Secretary of State,
on January 30th, 1967, had approved the project in principle.
Given this background, the statement in the Scottish Develop-
ment Department's 1967 Report that "the major study of West
Central Scotland was continued and produced its first results
in the decision to establish a new community at Erskine,"[16]
is, to say the least, curious. Whatever its compatibility
with long term planning considerations in West Central Scotland,

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[14]
    This background is outlined in a Renfrew County publi-
cation entitled Erskine New Community Inauguration,April 15th,
1970.

[15]
    In fact, the report of the land use working party did
not deal with Erskine. For an outline of its recommendations
see Scottish Development Department, Report for 1967,Cmnd.3553,
Edinburgh, HMSO, 1968, p.17.

[16]
    Scottish Development Department,1967, op.cit.,p.7

several senior officials in the Scottish Development Department acknowledged that expediency played a considerable part in the choice of Erskine. With the Department very anxious to allocate sites for expanding Glasgow overspill and with Renfrewshire already interested in some kind of development at Erskine, the selection of this area was mutually convenient.

The original proposal for the Erskine development envisaged that Glasgow Corporation would build 4,000 houses, the Scottish Special Housing Association 4,000 and that up to 4,000 would be constructed privately. Following the approval of the appropriate amendment to Renfrewshire's development plan in February 1967, an Erskine working party was established to coordinate the development of the new community. Consisting of representatives of the County Council, the Scottish Development Department, the Scottish Special Housing Association and Glasgow Corporation (with other authorities or agencies co-opted for specific purposes) and under the chairmanship of the Director of Planning and Engineering, Renfrew County, this working party held its first meeting in April 1967. By the end of the year the County had submitted an Erskine Master Plan to the Secretary of State. With his approval of the plan in June 1968, the project appeared underway.

Subsequently, however, a number of difficulties arose,

particularly with respect to the financing of the project.

Matters came to a head on March 20th, 1969, when Glasgow

Corporation unilaterally abandoned the Erskine project on

the grounds of cost. In support of their decision, the

majority Progressive-Conservative Administration, which had

replaced the Labour Administration with whom agreement had

originally been reached, argued that the city ratepayers

should not have to bear an estimated deficit of over £300,000

per year for people who "will pay rates in Renfrewshire, seek

employment there and go shopping there."[17] Supporters of the

Erskine scheme pointed out that the City would be getting a

good bargain in 6,000 houses for Glasgow families (including

the 4,000 to be built by the Scottish Special Housing Associ-

ation) for the price of 2,000 houses.[18]

In June 1969 the Chairman of the Scottish Special Housing

Association hinted that since Glasgow had apparently abandoned

the Erskine project, the 4,000 Association houses to be built

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[17] The Scotsman, March 21st, 1969. The City Treasurer
calculated that it would cost Glasgow £150 per house over the
next 60 years to build and maintain the houses. In contrast,
Glasgow was paying £14 a year for 10 years for each house
provided by a local authority under an overspill agreement.

[18] Subsequent arguments extended the figure to 12,000 houses
which would be made available for Glasgow tenants in return
for the City's contribution of 2,000. See, for example, state-
ments of the Minister of State quoted in The Scotsman, April 18th,
1970.

there might not be allocated to Glasgow families.[19] Further

meetings in late August between Glasgow Corporation and the

Minister of State failed to resolve the deadlock. The

Scottish Office proposed some alternatives, including the

possibility of the Scottish Special Housing Association build-

ing all 6,000 houses (including 2,000 on behalf of the Cor-

poration) but offered no substantial financial relief to the

City.[20] A subsequent concession on the part of the Scottish

Office which would have limited Glasgow's financial liability

to ten years was rejected by the City, who countered that this

was still a far greater financial burden than that incurred

under traditional overspill agreements.

Agreement was finally reached in early December, 1969,

only after a very substantial further concession by the

Scottish Office. The new arrangements provided for 3,000

houses at Erskine, all to be built by the Scottish Special

Housing Association with Glasgow paying them a special over-

spill grant of £11 per house every year for ten years. One

significant departure from the original proposals concerned

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[19] *The Scotsman*, June 2nd, 1969

[20] Instead of paying £150 a house for corporation-built
homes, it was suggested that the City pay approximately £50
a year for an unspecified period for Association housing.
The Corporation argued that this would impose essentially
the same financial burden. *The Scotsman*, September 6th, 1969.

the nomination of tenants. It had been previously intended
that Glasgow would have the sole right to select tenants
for Erskine, but the new agreement provides that the Scottish
Special Housing Association will choose the tenants for their
houses from a list supplied by the Corporation.

With formal approval from the Secretary of State in
late January 1970, construction of the new community finally
commenced in April 1970. According to a progress report[21] the
first Scottish Special Housing Association houses were com-
pleted in April 1971. Construction has also begun on a 250
acre industrial zone (Inchinnan) situated between Erskine and
Glasgow Airport and owned by the County Council. With the
Department of Trade and Industry beginning the construction
of several advance factories in this zone, the progress report
expressed optimism about future employment prospects.

In summary, several points should be emphasized. The
Erskine new community is underway and can be expected to make
a significant contribution to Glasgow overspill in the 1970s.
However, agreement was reached only after several modifications
and very substantial financial concessions by the Scottish
Office. In a departure from the original concept of the out-
county estate, the Government's contribution (through the

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[21]
County Council of the County of Renfrew, Erskine New
Community, Progress Report to the Erskine Working Party,
April 1971.

Scottish Special Housing Association) will be much greater,
while Glasgow Corporation will provide no houses and will
not dictate the selection of tenants for Erskine. Only the
role of the County in allocating the land and providing the
basic services remains relatively unchanged. While the
selection of a site proved an easy matter, largely because
of the prior interest of Renfrewshire, the stumbling block
to implementation of the project was local authority dis-
agreement over the sharing of costs.

The Larkhall/Stonehouse Story

As previously noted, in November 1965 the Scottish
Office began discussions with local authorities in Lanark
County which led to the establishment of a working party
of officials of the County and the large burghs to assess
the future availability of land.[22] A June 1966 report of
this land use working party noted that all burghs except
Coatbridge faced a prospective land deficit totalling
2,500 acres.[23]

The implications of this report were then discussed at

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[22]
Supra., p.158. In fact, this new initiative appeared
to replace the emphasis on the North Lanarkshire growth area,
with the growth area working party ceasing deliberations
during this same period.

[23]
Scottish Development Department, 1967, op.cit.,p.17.
This acreage did not include any land for redeployment of
Glasgow population.

a July 1st meeting of elected representatives from the
Lanarkshire local authorities together with Scottish Office
personnel. It was agreed that a further joint study should
be made to consider how best to meet the future demand for
land. The land use working party of officials was therefore
requested to consider the feasibility of extending the bound-
aries of any of the existing major burghs and the scope for
the development of new, or the expansion of existing, commu-
nities in the county. At this same July 1st meeting, the
Scottish Development Department expressed their view, previous-
ly noted, that the rate of overspill from Glasgow would have to
be increased considerably. Observing that the Corporation's
development plan presumed overspill of 200,000 people between
1960 and 1980, the Department suggested that an additional
200,000 might have to be displaced over the next 25 years,
that is by 1990. While not all of these needed to be accommo-
dated in West Central Scotland, it was pointed out that, if
redeployment was to be as fast as required, a considerable
number would have to be re-located within commuting distance
                  24
of Glasgow. In this connection, the Department noted that
Renfrew County already had proposals underway which would
accommodate about 35,000 Glaswegians, and that another 20,000

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    So as to avoid the necessity of phasing the movement of
people with the availability of jobs - a factor inhibiting
existing overspill agreements.

might go into West Stirlingshire.[25] For their part, the authorities in Lanarkshire were asked to consider the accommodation of 40,000 people from Glasgow between 1970 and 1980. This task was also assigned to the land use working party.

The contrast with Renfrewshire is significant. As has been seen, the Erskine site was favoured by Renfrew County from the outset and did not figure in the deliberations of the Renfrewshire land use working party. Since there was no obvious preferred site in Lanarkshire the determination of how and where to accommodate increased Glasgow overspill was given to the land use working party. The difficulty of making this kind of decision through the voluntary cooperation of local authorities is illustrated below.

On October 5th, 1966 the working party reported that the large population movement contemplated should be directed to one or two major units, not to the various settlements (the large burghs) in the central area. Their main recommendation was that an area of land south of Larkhall and adjacent to the M74 be developed for the overspill of population from the large burghs and from Glasgow. They further recommended that this area be developed with not only housing but land for industrial purposes and facilities for recreation, education, shopping, etc. - in short, along the lines of a new town.

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[25] This referred to the Erskine project previously described, and the possibility (as yet unrealized) of a development in the Lennoxtown and Milton of Campsie area.

When this report did not meet with unanimous acceptance
by the councils involved, it was decided that the officials
on the working party from each local authority would prepare
separate reports on the matter. These individual reports
were considered by the working party on October 24th, 1966,
and revealed essentially two strategies -- to create a new
community near Larkhall or to expand the existing large burghs.
The working party accordingly prepared a second report setting
out these two strategies, stating that it was physically
practicable to meet the outstanding needs within either strat-
egy, and inviting the Scottish Office and the local councils
to decide.

This second report was considered by another meeting of
local elected representatives and the Scottish Office on
January 13th, 1967. It was generally agreed that there was
not yet sufficient detailed information available for a long
term planning decision to be taken. Within the next twelve
months considerable relevant information was expected from the
Greater Glasgow Transportation Study and the Quinquennial
Reviews of Coatbridge, Hamilton, Motherwell and Airdrie. Accor-
dingly, it was suggested that a further meeting of the working
party be scheduled for the beginning of 1968 to re-assess the
appropriate strategy for Lanarkshire in the light of any new
information.

However, the Scottish Office stressed the urgency of
redeploying Glasgow's population. Even if both Erskine and
Lennoxtown were developed, a substantial contribution by
Lanarkshire would still be required. Noting that almost two
years of discussion had still not produced a concrete proposal,
the Scottish Office suggested that the development of a new
community be further considered, with the understanding that
the working party should not feel obliged to accept this
approach as the final choice.

Specifically, the County Council representatives were
asked to examine the possibility of a new community in the
Larkhall area, with the aim of preparing a development plan
amendment. The burgh representatives accepted this approach
with the proviso that it would not prejudice the decision
on final strategy to be taken the following January, and on
the understanding that they would be consulted about any
amendments to the County's development plan before a formal
submission.

A County feasibility study completed in July 1967 indicated
the potential for a community of from 50,000 to 124,000 (depend-
ing on whether or not development took place on both sides of
the Avon Gorge) in the Larkhall/Stonehouse area. This report
was then examined by the working party of officials in a
series of meetings in late 1967, with particular reference

to the extent to which the proposed community was compatible with a strategy of burgh expansion, should the latter ultimately be adopted. Briefly, the working party concluded that the maximum development of 124,000 envisaged by the County's feasibility report would preclude a strategy of burgh expansion, but that development limited to the area south of the Avon Gorge might be reconcilable with some expansion of the large burghs.

However, the next meeting of the local elected representatives and the Scottish Office (January 8th, 1968) revealed that serious differences of opinion still existed. Of the additional material which the meeting had hoped to consider, only the Coatbridge Quinquennial Review was available. Discussion therefore focused on the County's feasibility study, with Hamilton representatives expressing disapproval of its broad scope and the extensive publicity it had received before the working party could consider its recommendations. The Motherwell and Wishaw representatives argued that before any decision was taken on the proposed development at Larkhall/Stonehouse, the alternate strategy of burgh extension deserved at least an equal amount of study. Coatbridge agreed with this point and further complicated the issue by suggesting that there might be other possible new communities which should be explored in addition to Larkhall/Stonehouse.

The Minister of State stressed the importance of substantial development in the near future, reminding the local representatives that the need for additional overspill from Glasgow would become acute by the early 1970s. While he had no objection to further exploration of the strategy of burgh extension, he was opposed to any cessation of planning of the Larkhall/Stonehouse development while other studies were undertaken. It was agreed that the working party of officials should coordinate the preparation of a number of reports including a structure plan showing how any development in the Stonehouse area south of the Avon Gorge could be made compatible with development between Hamilton and the Gorge.

However, shortly after this meeting, Lanark County Council notified the Scottish Development Department that, in their view, the proposed development at Larkhall/Stonehouse should be in the form of a new town under the New Towns Act. Simultaneously, the County withdrew their officials from further participation in the working party discussions. At the time, the local press [26] explained this major change in position as the Council's desire to protect their ratepayers from the kind of financial strain previously imposed by the servicing of

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[26]
Hamilton Advertiser, February 9th, 1968.

East Kilbride.[27] It was also alleged that the County felt
that a single development body - a New Town Development
Corporation - would prevent friction and rivalry between the
County and the large burghs from inhibiting the planning of
the new community. As for the abruptness of the change, and
the County's withdrawal from deliberations, apparently early
January of 1968 was the first time the County Council had
been fully informed of the working party discussions.[28] Their
response was, in effect, that they wanted no part of the de-
liberations if burgh extension were being seriously considered.

Though minus the County officials, the working party
continued to meet to prepare background material for the next
scheduled meeting of the elected representatives and the
Scottish Office. The burgh officials maintained that it was
wrong to try to meet Glasgow's overspill problems by creating
essentially an out-county residential suburb of the City.
They disputed that residents of such a new community would
commute to and from Glasgow, and suggested that instead they
would compete for available employment in Lanarkshire. They
further reported that Hamilton and Motherwell and Wishaw

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[27] To the extent that this was the case, it is interesting
to recall that the East Kilbride experience also had made the
County wary of the financial implications of growth area policy.

[28] Interview July 31st, 1968.

would be capable of absorbing all of Glasgow's stated require-
ments in Lanarkshire, and argued that the integration of in-
coming population into an area with established cinemas, social
clubs, libraries, churches, shops, etc. was preferable socially,
and more economical than building up a virgin site. The work-
ing party therefore recommended that the strategy of burgh
extension be adopted, not surprising when it is remembered that
only the large burghs were represented at this time.

Lanark County was persuaded to attend a June 21st 1968
meeting of local elected representatives and the Scottish Office,
but little else was achieved. It became increasingly clear
that three different approaches were now being advocated. The
burghs favoured a build-up of their own populations by boundary
extensions; Lanark County proposed a new town of 124,000 in the
Larkhall/Stonehouse area; and the Scottish Development Depart-
ment appeared to favour the new community approach, but wanted
its population limited to 40,000. Moreover, the Minister of
State was quoted[29] as being against a new town solution because
it would take too long to implement, preferring instead co-
operation between the local authorities involved and the Scottish
Development Department. The Scottish Office's main concern,
however, was the need to proceed with some solution so that by
1972 Glasgow overspill could be accepted at the rate of 1,000
people a year.

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[29] Glasgow Herald, June 22nd, 1968

By the beginning of 1969 the Government decided that
a compromise scheme, much smaller in scope, should be in-
itiated. As a pilot project 2,000 Scottish Special Housing
Association houses and a Board of Trade industrial estate
were to be provided at Canderside Toll near Stonehouse.
While this proposal did not please the large burghs it was
acceptable to the County,[30] especially since the promise of
Association housing meant their additional costs would be
minimal. As additional "short term expedients to help with
Glasgow redeployment",[31] the Government also announced plans
for an additional 3,000 dwellings within East Kilbride by
about the end of 1974 and indicated that a further expansion
at Cumbernauld was under consideration.[32]

It was apparent that the greatly reduced proposal for
Lanarkshire was reluctantly adopted by the Scottish Office
as the only course of action which was possible given the
lack of agreement among the local authorities in the area.
In the long run a substantial new development at Stonehouse
was still contemplated. Thus according to the 1969 Report

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[30]
With the decision to proceed with the project at
Canderside Toll the land use working party considered that
it no longer had a purpose and disbanded itself. Interview
June 21st, 1971.

[31]
Scottish Development Department,Report for 1969,
Cmnd.4313, Edinburgh, HMSO, 1970, p.13

[32]
Ibid., p.19

of the Scottish Development Department, "the Government recognized that under the present local authority organization further projects resembling that at Erskine were unlikely to be arranged."[33]   After noting that Lanarkshire County Council were preparing a development plan amendment for the Canderside Toll project the Report went on to state that "the preparation of a master plan for the larger new community of which the Canderside Toll development is expected to form a part will be considered in the light of the development plan amendment."[34]

However, before any action could be taken on this amendment the June 1970 election brought the Conservative Government to power. In March 1971 they announced their intention of establishing a new town at Stonehouse to be developed by the East Kilbride Development Corporation. While final boundaries were not delineated, the new town will almost certainly include the area of the Canderside Toll project, which has now been superseded. It was further announced that the Scottish Special Housing Association would build 7,000 additional houses for Glasgow overspill, including 3,000 already committed at Erskine, in the period up to 1981.[35]

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[33] Ibid., p.19

[34] Ibid., p.19

[35] Glasgow Herald, March 27th, 1971

Thus more than five years after discussions with the
Lanarkshire authorities began it appears that before the
end of the 1970s Stonehouse New Town will join Erskine in
accommodating an increased flow of Glasgow overspill. Even
more than in the case of Erskine, however, the project fin-
ally adopted differs markedly from the original concept of an
out-county estate. Instead of a new community developed and
serviced by the County, Stonehouse will be under the direct-
ion of a New Town Development Corporation. There will be no
special overspill arrangements allowing Glasgow the sole
right to nominate tenants. As a new town Stonehouse will
sign a traditional overspill agreement with the City.

The difficulties encountered in attempting to obtain
local authority agreement on the allocation of increased
Glasgow overspill are of particular interest to this study.
Initially the local authorities on the Lanarkshire land use
working party appeared willing to work together and a study
of future land requirements was carried out promptly. Indeed,
the local authority participation in these early stages com-
pared favourably with their relatively unenthusiastic attitude
toward the earlier growth area working party. The explanation
may be that the terms of reference of the land use working
party focused on a problem facing all constituent authorities
(overcrowding and land shortages), while the large burghs

hardly could have been expected to vigorously endorse the growth area deliberations since, as previously noted, new industrial development would almost certainly occur outside their boundaries.

This interpretation appears to be borne out by subsequent events. When the land use working party turned its attention to the question of where future growth should be planned the common interest gave way to parochial self-interest. Political pressures came increasingly into play and the officials confined their role to setting out the feasibility of various alternative approaches to development. Given the general alternatives of a new community or the expansion of existing centres, coupled with the history of local authority conflicts in Lanarkshire, it should not be surprising that lines hardened around a county-large burgh split.

It is contended that the Lanarkshire land use working party was an inappropriate device for the main task assigned to it. It could, and did, undertake a factual survey of land needs. If a site for a new community had been chosen it is reasonable to assume that a working party could have overseen its development and facilitated the provision of services. Such in fact has been the role of the Erskine working party, previously described. However, to expect a working party of officials to reach agreement on a site for a new community,

especially considering the alternatives facing them, was probably unrealistic. The working party was rendered increasingly ineffective by the strong political pressure which emerged.

Summary

The experience of the out-county estate programme further demonstrates the limited role of the Scottish Office and the significance of local authority participation and co-operation. While the Scottish Office took the initiative and, where necessary, showed a willingness to compromise and a flexible approach, the basic decisions rested with the local authorities. With Erskine and Stonehouse underway only after substantial modifications, and with no action on Lennoxtown,[36] there has been disappointing progress on what, according to the 1965 to 1970 Scottish Plan, was to have been a major regional initiative in West Central Scotland in the second half of the 1960s. The resistance of the Lanarkshire large

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[36] Apparently discussions with Stirlingshire broke down on the familiar question of costs, with the county insisting that all housing for a new community at Lennoxtown would have to be provided by the Scottish Special Housing Association. The possibility of some overspill to Lennoxtown is still under consideration, however, as part of the additional 7,000 SSHA houses for overspill announced by the Government in March 1971. Interview June 21st, 1971.

burghs to a proposed new community in the landward area
of the county illustrates, in its own way, the political
limitations of a policy of concentration. While not a
growth area policy per se, the Stonehouse proposal was
similar in approach to the extent that development includ-
ing infrastructural investment, was to be concentrated
rather than scattered among several existing settlements.
The reaction of the large burghs in Lanarkshire was similar
to that of local authorities excluded from the 1963 growth
areas, or to that of the Border local authorities facing
the prospect of a major build up at St. Boswells (described
in Chapter Four). They resisted the selectivity inherent
in the approach and pressed for a greater spreading of the
benefits. In all cases the reactions demonstrated the limit-
ations of the Scottish Office in attempting to pursue regional
policies.

While the local authorities must accept a major portion
of the responsibility for the difficulties faced by the
Scottish Office, their response has been understandable and
not without validity given the existing structure and finan-
cial resources of local government in Scotland. This under-
lines the potential importance of the impending reorganization
of local government, discussed below.

Some Underlying Considerations

The study of the out-county estate programme raises several fundamental questions. While it has not been possible to pursue them within the scope of this study, their general implications are outlined below.

Overspill: A Central or Local Policy?

The negotiation of overspill agreements and the phasing and pattern of overspill are largely left to the local authorities in Scotland. Admittedly the Scottish Office has to approve all overspill agreements reached between Glasgow and a receiving authority, but they confine their assessment to the extent to which the overspill is feasible on physical planning grounds.[37] It appears that no section of the Scottish Office is responsible for maintaining a general overview of the overspill programme, noting where and to what extent progress is being made.

Were overspill directed only toward the relief of Glasgow housing, this absence of direction from the Scottish Office would not be as serious. In other words, it would not matter where a family overspilled if the only objective was to ease the housing shortage in Glasgow. Instead, however, substantial economic development has been planned on the

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[37] Interview, September 3rd, 1968

assumption that overspill from Glasgow would go to parti-
cular areas. This was clearly the case with several of
the 1963 growth areas and, more recently, the out-county
estate programme. In this situation it is not adequate
simply to allow overspill to occur haphazardly. The previ-
ously-noted experience of Greater Livingston illustrates
the shortcomings of such an approach.

It may be recalled that the Lothians Survey and Plan
was prepared on the assumption of from 50,000 to 60,000
overspill population from Glasgow. The growth target for
the area, particularly for Livingston New Town, and the
phasing of infrastructural investment reflected this assump-
tion. It followed, therefore, that if a smaller rate of
overspill should occur and slow the growth of the area there
would be under-utilization of facilities, at least in the
early years. In spite of this, no special arrangements
were made to attempt to ensure the desired volume of over-
spill. Even such superficial indicators as the preferences
of Glasgow tenants on the "waiting list"[38] should have alerted
authorities to the need for more positive action. For ex-
ample, the overspill list for the end of 1967 indicated only

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[38]
When a tenant is placed on a waiting list for over-
spill, he is asked to specify a first choice and an alter-
native for relocation.

91 families specifying Livingston as their choice for re-
settlement while 187 families named Whitburn.[39] With am-
bitious house-building activies by Whitburn (contrary to
the requirements of the Lothians Plan) and continuing em-
ployment difficulties in Livingston this "imbalance" could
not be expected to correct itself easily. The previously-
quoted 1969 Progress Report on developments in Greater
Livingston[40] confirmed that growth had been slower than
anticipated, that reduced overspill from Glasgow had been
a major factor, and that much of the overspill population
which had come to the area from Glasgow had gone to Whitburn
not Livingston. The report's observation that only 11% of
the immigrants to Livingston in the period up to the end of
1968 had been from Glasgow, while the Lothians Plan had en-
visaged as many as 80%, finally spurred the authorities
into action. At the suggestion of the Minister of State
there was a meeting of the new town, Midlothian and West
Lothian Counties and Glasgow Corporation's overspill com-
mittee, which led to the planning of a joint exhibition.

It is contended that the Greater Livingston experience
emphasizes the need for a more positive, selective approach

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[39]
Information provided by City Factor's Office, Glasgow
Corporation.

[40]
Supra.,p.132

to Glasgow overspill, especially in relation to areas whose
growth is the basis of a broader programme of economic dev-
elopment. The difficulty lies in effecting this positive
approach. One cannot expect Glasgow Corporation to stress
the advantages of particular areas when they have overspill
agreements with some sixty local authorities. Not surpris-
ingly, during the period in question Glasgow regarded
Livingston as "just another reception area."[41] Admittedly,
there are also limits on the extent to which the Scottish
Office can intervene to push for desired patterns of over-
spill.[42] However, only the Scottish Office is in a position
to take an overall view and to relate the pattern of overspill
to the objectives of regional development. On this basis
special meetings between Glasgow Corporation and a particular
reception authority could then be utilized, as in the Livingston
example, in an effort to increase the flow of overspill where
it was felt desirable. However, as the Livingston example
also suggests, there is a need for closer scrutiny and more
rapid intervention by the Scottish Office than has been the
case in the past.

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[41]
Interview, August 28th, 1968

[42]
This point was made by several senior officials in the
Scottish Development Department who stressed that overspill
was essentially a local government responsibility and that
tenants were expected to enjoy a completely free choice in re-
location.

The Out-County Estates and the Traditional
Overspill Program

As previously indicated, overspill to the out-county
estates is intended as a supplement to the overspill going
to the 60-odd reception areas. However, several features
of this new programme, especially as it was originally con-
ceived, may cause it to divert at least some of the population
which would have gone to the older reception areas. The main
reason for this belief is that the new out-county estates have
been deliberately located within commuting distance of Glasgow.
Given the strong preference of overspill tenants to stay with-
in approximately 25 miles of the city[43] and the difficulties
(noted above) which more distant receiving authorities have
experienced in the past, their proximity to Glasgow should
assure Erskine and Stonehouse of success. One might also have
expected Glasgow Corporation to view these new out-county
estates favourably since the original provisions gave the
City the sole right to nominate tenants. However, as has been
seen, modifications at both Stonehouse and Erskine have changed
this and, after the prolonged disputes concerning the latter
scheme, Glasgow's support cannot be taken for granted.

[43]
Both Scottish Development Department and Glasgow Cor-
poration officials used this figure as a "rule of thumb".
This preference is also reflected in the location choices
of families on the City's waiting list. Interview August 28th,
1968

To the extent that developments such as Erskine and
Stonehouse become competing rather than complementary
reception areas for overspill, what will be the effect on
the existing reception areas and particularly on certain
of the 1963 growth areas whose expansion was based on sub-
stantial Glasgow overspill? The fact that the two new
communities are within the recently designated West Central
Scotland Special Development Area, while areas such as Greater
Livingston and Grangemouth/Falkirk are not (as of mid-1971)
only adds to the validity of this question. A partial answer
may be found in recent data on the re-location preferences
of Glasgow tenants on the waiting list. While the number of
families naming Livingston as their first choice has now gone
up to 615 (from the figure of 91 noted in 1967), the corres-
ponding figure for Erskine is 1,897.[44]   It is possible, there-
fore, that in the Greater Livingston area the slow rate of
overspill and general population growth may continue or even
be accentuated. The Grangemouth/Falkirk area, whose future
growth was based on the assumption of at least 50,000 people
overspilled from Glasgow, may also experience a slower rate
of expansion. While this is conjecture, it does emphasize
once again the need for strong central direction to ensure
that the implications of overspill for regional development
are thoroughly assessed.

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[44] Information as of May 31st, 1971, provided by City
Factor's Office, Glasgow Corporation.

Overspill and Glasgow

In the preceding section concern was expressed about
the consequences if anticipated rates of overspill were not
achieved in certain areas. However, if overspill is too
successful too rapidly, an even more serious problem is
likely to arise. The effect of the various overspill pro-
grams on the City of Glasgow itself is probably the most im-
portant question to be raised, and the one about which least
is known. It will be recalled that while Glasgow's official
policy calls for an overspill of 200,000 between 1960 and
1980, the Scottish Office has indicated that this figure
should reach 400,000 by 1990, and are apparently planning
new programmes such as the out county estates on the basis
of this larger volume. However, can the City adapt to such
a substantial loss of population in a relatively short period
of time?

For a number of years, and particularly since the
Toothill Report,[45] there has been a widespread feeling that
overspill from Glasgow could inject new blood into other
areas of Scotland. However, as one writer has pointed out,

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[45] "... from the point of view of the rest of Scotland,
the decentralization of population and industry from Glasgow
can do nothing but good. Many of our towns are lacking in
industries with potentialities for growth or with adequate
opportunities for youth, or are dependent on a small range
of industries. If overspill works well, it can provide the
initial increase in population and diversification of in-
dustry in these areas which can turn them into communities
with their own power of attracting or generating further
development." Toothill, op.cit., pp.140-1

"Glasgow, far from generating expansion is itself badly in need of a transfusion of new employment and greater income generation: employment has been stagnating for the last sixteen years and has fallen from 574,000 in 1951 to 521,000 in 1965."[46] Considering Glasgow's own need for "a transfusion", and the fact that little is known about the effects of running down a city in a relatively short period of time, the magnitude of the overspill planned for Glasgow may be a cause for concern. At the very least, it suggests that the effect of overspill should be carefully and continuously assessed -- not just in terms of the housing shortage in Glasgow, but the overall economic health and viability of the City.

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[46] The Springburn Study, op. cit., para. 4.63.

CHAPTER VI

CONCLUSIONS: THE ADEQUACY OF ADMINISTRATIVE ARRANGEMENTS

The preceding chapters have outlined the main administrative machinery concerned with regional development in Scotland in the 1960s and have illustrated the performance of this machinery by means of several case studies. It should now be possible to offer some conclusions about the adequacy of administrative arrangements during the period under study. This assessment will take into account the distinction between spatial fragmentation (the division of responsibilities among tiers) and functional fragmentation (the division of responsibilities among executive bodies within a single tier). On this basis administrative relations between the Scottish Office and Whitehall departments and the Scottish Office and local authorities will first be considered, followed by administrative relations within the Scottish Office itself. One qualification should be noted. The assessment of the adequacy of administrative arrangements is based on the existing distribution of powers among the three tiers of government. The implications of a further devolution of powers to the Scottish Office is a separate question, briefly considered later in the study.

Scottish Office - Whitehall Relations

Of the three sets of relationship discerned above it is the Scottish Office - Whitehall relationship which is least well illuminated by the preceding case studies. It is difficult to explore the nature of this relationship, partly because it raises political considerations which cannot be documented. The analysis in this section leans heavily on the views of Scottish Office personnel, as expressed in interviews and in evidence to the Select Committee on Scottish Affairs. Since one would not expect senior Scottish Office personnel publicly to express dissatisfaction with existing arrangements or to criticize the manner in which specific Whitehall departments have operated, the generally positive comments which follow must be weighed accordingly. After a specific examination of the Treasury and the Board of Trade (as it was constituted until October 1969), the two Whitehall ministries deemed to have had the greatest influence on Scotland's regional development efforts in the 1960s, the analysis focuses on the performance of the Scottish Economic Planning Board and Council.

The Treasury

In addition to its general responsibility for short term economic management which (as Chapter One indicated) was never relinquished to the Department of Economic Affairs,

the Treasury's control over expenditures explains its impor-
tance to Scotland's regional development efforts. While the
Scottish Office may initiate elaborate and imaginative plan-
ning exercises, these are subject to funds being made avail-
able. Morever, Scotland's ability to pursue distinctive
regional policies depends upon there being sufficient flex-
ibility to permit a higher priority in certain areas of
expenditure (for example, roads or housing) than might be
the case in England and Wales. Unfortunately in the past
very little information has been available on the Treasury's
operations as they affected Scotland. The subject tended to
be discussed emotionally rather than factually, with arguments
centering on whether or not Scotland received her "fair share"
of available revenues.[1] However, some information has come
to light recently through the Select Committee on Scottish
Affairs, on which the following brief comments are based.

The Select Committee probed at some length the manner
in which Scottish expenditures are determined. It was ex-
plained that rather than the Scottish Office receiving a
lump sum expenditures were considered on a functional basis.
For example, Scotland's road budget would be determined as

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[1] The resurgence of the Scottish Nationalist Party in the
late 1960s intensified this debate and brought it increasing-
ly into the political arena.

part of the total U.K. expenditure on roads. However, Treasury officials stressed that Scotland's share is not calculated on the basis of some formula or per capita consideration. Rather, there is an opportunity for arguments based on special needs to be heard[2] which, if successful, could result in the provision of substantially greater finances than would be available on a formula or per capita basis. The Treasury indicated that such in fact had been the case in Scotland and cited housing where public expenditure per capita was £18 7s 10d in England and Wales and £37 19s 3d in Scotland, and roads and public lighting where the corresponding figures were £10 6s versus £12 3s 8d.[3] A similar pattern is evident in the more detailed figures for expenditures in 1967-68 provided in an Appendix to the Crowther Commission and reproduced below (Table #1). It should be noted however that such calculations are still incomplete and open to question.[4] In response to queries

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[2] The general position was stated in a Treasury Memorandum (S.C.S.A.,Minutes,397,p.60) as follows: "Within the general principles referred to above, the level of expenditure relating to Scotland is determined by reference to Scottish needs so that, where Scottish circumstances differ from those in England, the expenditure differs accordingly."

[3] S.C.S.A.,Minutes,397, pp.69,71.

[4] For a critical analysis of efforts to measure Scotland's share of expenditures and to produce a Scottish budget see Banks, op.cit., Chapter Seven.

TABLE # 1*

IDENTIFIABLE PUBLIC EXPENDITURE AND CENTRAL GOVERNMENT EXPENDITURE IN SCOTLAND 1967/68

	Total identifiable public expenditure		Central Government Expenditure (1)			
			Scotland		Per Capita	
	£m.	Per cent. of G.B.	£m.	Per cent. of G.B.	Scotland	England & Wales
					£ s. d.	£ s. d.
Roads (including lighting)	63·2	12·0	38·4	13·3	7 8 1	5 3 2
Airports and ports	8·2	16·5	2·5	10·8	0 8 6	0 9 8
Promotion of local employment	12·7	36·3	12·7	36·3	2 9 0	0 9 3
Investment grants	43·2	14·4	45·0	14·3	8 13 6	5 11 2
Selective employment tax: additional sum in premium payments	10·7	8·2	10·7	8·2	2 1 3	2 9 5
Regional employment premiums	13·0	37·5	13·0	37·5	2 10 1	0 9 0
Research Councils	7·0	9·2	7·0	9·2	1 7 0	1 8 8
Agricultural support	46·4	17·9	46·4	17·9	8 18 11	4 8 2
Agricultural services	5·4	7·2	5·5	7·5	1 1 2	1 8 0
Fisheries	2·3	65·7	2·4	66·7	0 9 3	0 0 6
Forestry	14·5	42·3	14·5	42·3	2 15 11	0 8 2
Housing	196·9	18·7	27·6	20·4	5 6 5	2 4 7
Environmental services	83·0	10·9	5·4	14·6	1 0 10	0 13 11
Libraries, museums and arts	4·2	6·1	1·4	9·7	0 5 5	0 5 4
Police	24·8	8·8	11·2	8·8	2 3 2	2 8 3
Prisons	3·8	10·1	3·8	10·1	0 14 8	0 14 0
Other law and order (including fire service)	11·4	8·3	4·8	8·6	0 18 6	1 1 0
Education (other than on Universities) (2)	186·4	11·2	22·7	27·5	4 7 6	1 4 8
Universities	41·8	14·3	41·7	17·1	8 0 9	4 3 4
Health and Welfare	172·5	10·7	154·8	11·3	29 16 10	25 4 7
Children's services (including family allowances)	40·4	10·5	26·4	11·6	5 1 10	4 3 5
Social security benefits (3)	272·7	10·0	272·7	10·0	52 11 6	50 19 8
Civil Defence	2·6	12·4	2·0	11·0	0 7 9	0 6 8
Financial administration and common services (4)	25·2	10·5	22·1	10·0	4 5 3	4 2 0
Other services	27·1	10·5	23·6	10·6	4 11 0	4 2 2
Non-specific grants to local authorities	—	—	157·1	11·7	30 5 9	27 18 6
Total	1319·4	11·9	975·4	11·7	188 1 0	151 15 11

(1) Includes transfers to other spending authorities other than Consolidated Fund Loans to local authorities (e.g., investment grants to nationalised industries and public corporations whose expenditure is not included in the first column).

(2) Includes in Scotland an element of student grants which in England and Wales is included under non-specific grants to local authorities.

(3) Includes amounts met by employers' and employees' contributions.

(4) Excludes certain items of expenditure which cannot be specifically attributed to Scotland.

* Commission on the Constitution, Minutes of Evidence II, London, HMSO, 1970, p. 111

from the Select Committee, Treasury officials implied that the function by function approach to the determination of expenditures worked to Scotland's advantage amd acknowledged that the Scottish Office acts as a "built-in pressure group"[5] in arguing for Scotland's special needs.

Senior Scottish Office personnel also expressed satisfaction with the existing procedures and specifically rejected allocations based on formulas or the concept of a separate Scottish budget as likely to produce less total funds for Scotland.[6] Moreover, they pointed out that there was sufficient flexibility within the existing system to permit distinct Scottish priorities to be reflected in the expenditure pattern. Sir Douglas Haddow indicated that, for example, it was possible during the finalization of estimates with the Treasury to shift as much as one million pounds from housing to roads. In other words, if Scotland decided that she would like to spend one million pounds less on housing, this money would not be lost to a larger housing allocation for England. It would instead be used to increase the Scottish expenditure on some other function such as roads.[7] Sir Douglas made much

[5]
S.C.S.A.,Minutes,397, p.76

[6]
Ibid., pp.173-4

[7]
Ibid.,p.173. This example was cited by a Committee member and confirmed by Haddow.

the same point to the Crowther Commission:[8]

> At the end of the day after all those
> totals have been settled it is now
> recognized that the Secretary of State
> may wish,despite the Great Britain
> pattern that has emerged, to make mar-
> ginal adjustments between Scottish
> services. He might think a little less
> on roads, a little more on housing: the
> machinery accepts and recognizes this.

In discussions with both the Select Committee on
Scottish Affairs and the Crowther Commission, Sir Douglas
Haddow echoed the Treasury officials in singling out the
pressure exerted by the Scottish Office in securing fin-
ancial concessions for Scotland. Thus, he cautiously
acknowledged the suggestion of one Select Committee member
that "we still have in a sense this bargaining advantage
over the English regions of the Scottish Office, a separate
minister and what becomes ultimately a political argument
over our totals."[9] He also agreed with a member of the
Crowther Commission that "in this process of negotiation
which goes on - or bitter in-fighting, as I have heard it
described - Scotland gains by having the Scottish Office
specifically to represent it,"[10] and added that no five

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[8] Commission on the Constitution, Minutes of Evidence 2,
London, HMSO 1970, p.24. (Hereafter Commission on the Con-
stitution, Minutes 2).

[9] S.C.S.A., Minutes, 397, p.173

[10] Commission on the Constitution, Minutes 2, p.24

million or so people in England could make a unified approach because "they have not got a Minister looking after them as Scotland has."[11]

One specific aspect of financial relations should be noted. In discussing the 1965 to 1970 Scottish Plan and its emphasis on infrastructure, the Select Committee queried the effect of the expenditure cuts which had been incurred during the previous several years. Sir Douglas Haddow replied that departments "have nearly always found it possible to accommodate the cuts in other sectors of their expenditure than those contributing to regional development."[12] Treasury officials advanced the same view.[13] However, it should be noted that the general effect of the deflationary measures introduced by Westminster in the second half of the 1960s was to retard Scotland's efforts to attain full employment and economic growth.

Thus, on the basis of the limited information available, relations with the Treasury appear to have been more than satisfactory during the period under study. Largely because of the bargaining advantage accruing from the existence of the Scottish Office and a separate ministerial team, Scotland appears to have benefited from the system whereby expenditures

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[11]
  Ibid., p.25

[12]
  S.C.S.A.,Minutes,397, p.22

[13]
  Ibid., p.67

are determined on a functional basis with regard to the special needs of particular areas. Even without a separate Scottish budget (which Scottish officials felt would result in less total funds for Scotland) apparently there has been sufficient flexibility to permit marginal adjustments between functions.[14] Scottish officials gave no indication that Treasury actions had adversely affected their ability to pursue regional development.

The Board of Trade

During the period under study the key relationships with the Board of Trade centred on the latter's negative control of industry through Industrial Development Certificates and its more positive distribution of industry efforts including the provision of grants and advance factories.

Dealing first with the former, no problem arises in connection with the issuance of IDCs in Scotland simply because they are never refused.[15] As for the general use of this negative control, the Scottish Office regarded it as "absolutely vital.....When the negative controls are tight we get more development in Scotland, when they are

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[14]
However Mackintosh (op.cit.,pp.131-3) expresses reservations about the Scottish Office's flexibility in determining spending priorities.

[15]
S.C.S.A.,Minutes,397, p.118

relaxed it is remarkable how the flow is diminished."[16]

While Scottish officials on more than one occasion indicated
to the Select Committee on Scottish Affairs their willingness
to criticize the Board of Control if IDC control was felt to
be lax,[17] the Board would not comment on any such communi-
cations.[18] To a considerable extent the vigour of IDC control
appeared to be a function of the party in power, with the
Labour Government after 1964 applying the policy more string-
ently than their Conservative predecessors.[19]

A major consideration is whether and to what extent
the Board of Trade's steering of industry efforts reinforced
the development pattern desired by the Scottish Office. This
question had little significance in the early 1960s when the
Development District policy prevailed. During that period
Scotland did not have priority areas chosen by the Scottish
Office but Development Districts designated by the Board of
Trade, to which the latter attempted to steer industry. In
contrast, with the 1963 White Paper on Central Scotland
efforts were to be concentrated on eight growth areas. How-
ever, nationally the Board of Trade's focus (until 1966)
remained the Development Districts and it could not automatic-
ally be assumed that the Board's steering of industry efforts

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16
   Ibid., p.17

17
   Ibid., pp.19 and 180.

18
   Ibid., p.225.

19
   Ibid., p.374.

would be tailored to the new Scottish growth areas.[20]   Because

the posture of the Board of Trade toward growth areas is felt

to be a useful illustration of its adaptability to Scottish

regional initiatives, this question is explored in some detail

below.

Officials in many of the local authorities in three of the

growth areas (Greater Livingston, Central Fife and North Lanark-

shire) were asked about their relations with the Board of Trade,

especially after they became part of a growth area. A majority

of them reported only fair or "lukewarm" relations with the

Board[21] and those who enjoyed good relations attributed it to

factors other than the growth area designation. For example,

West Lothian's planning officer indicated good relations with

the Board of Trade, but explained that this had arisen partly

because of the county's earlier contacts with the Board in

connection with the arrival of BMC at the beginning of the

1960s, and partly because West Lothian (especially since 1965)

had taken the initiative in building their own advance factories.[22]

Significantly for this study, none of the local author-

ities interviewed had discerned any change in their relations

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[20]
    While the growth areas had Development District status,
there were numerous other Development Districts both within
and outside Scotland also requiring Board of Trade attention.

[21]
    Such a comment was made by officials from Midlothian,
Fife, Glenrothes, Motherwell, Hamilton and Lanark County.

[22]
    Interviews May 14th 1968 and May 21st 1968.

with the Board of Trade after becoming part of a growth area. In their view, the Board's policy appeared to be one of showing a firm several alternatives, and making no attempt to favour a particular area. If the Board showed any preference at all, according to the local authorities, it was a not altogether surprising desire to fill their own advance factories. Since by no means all of the Board of Trade advance factories were in growth areas (see below), a number of local authorities felt that this preoccupation weakened and possibly distorted the Board's steering of industry as it related to growth areas. It may be recalled [23] that the experience of the Central Fife growth area working party provided a good example of this potential conflict. In early 1968 the Board of Trade had two unlet advance factories in Lochgelly and Cowdenbeath and two further unlet factories at Leven which, under Special Development Area status, were being offered rent free for five years. At the same time, the large burghs in Central Fife and Glenrothes New Town wanted Board of Trade assistance in expanding and attracting more industry.

In their discussions with the Select Committee on Scottish Affairs, Board of Trade officials stated that no

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[23] Supra., p. 172

[24]

special emphasis was given to growth areas or new towns.

Subsequently, when asked whether in place of the existing

Development Area policy they would prefer a more specific

focus on growth points, the Board replied as follows: [25]

> In a way, industry to some extent does its
> own concentration. There are certain areas
> where industry is attracted either because
> they have labour availability or because
> they are favourably situated. To some extent
> industry sorts out its own growth points. I
> doubt whether it would be practicable in pres-
> ent circumstances to overtly concentrate to a
> greater degree than that.

There appeared to be two main considerations underlying

the Board's rejection of a specific open growth area policy.

First, the Board indicated that in their view specific bound-

ary designations brought inevitable problems because "there

is always somebody outside them." [26] Secondly, the Board seemed

very concerned about industrialists having the widest possible

choice, and on several occasions stressed the neutrality of

their position. Thus, not only did they not favour growth

areas and new towns, they were also reluctant to admit that

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[24]
  S.C.S.A., Minutes, 397, p.127

[25]
  Ibid., pp.143-4.

[26]
  Ibid., p.143. One wonders to what extent the Board's
prior experience with Development Districts influenced this
view.

Special Development Areas received any priority.[27] The

Board's attitude is reflected in the following quotation

concerning the duties of the Scottish controller.[28]

> His job is to try and suggest locations
> which suit the need of the inquirer, and he
> will do this whether it is in a special
> development area or in another part of, say,
> a development area without any special con-
> notations or whether it is a new town or an
> overspill town. Whatever it is, if it seems
> to suit the inquirer, he will try and suggest
> it without attempting to make priorities.

It should be noted, however, that the Board of Trade's

lack of emphasis on growth areas did not necessarily seriously

undermine the latter's chance of success. If the particular

growth areas designated in 1963 were wisely chosen they could

be expected to prosper even without special attention from

the Board of Trade. As previously noted,[29] for most of the

original growth areas this appears to have been the case.

Moreover, the Board of Trade's apparent neutrality must be

considered in the context of the changing emphasis of regional

policy in Scotland in the 1960s. While the specific growth

area policy was not officially abandoned by the Labour Govern-

ment after 1964, considerable attention was given to other

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[27] In response to a specific query on this, the Board noted (ibid.pp.128-9) that "Insofar as it reflects government policy on special development, he (the Scottish controller) will try and ensure that if a firm's needs can be met in that area it is always suggested.

[28] Ibid.,p.127

[29] Supra., p.36

areas of Scotland. Scottish officials did not stress the growth areas when questioned by the Select Committee about the steering of incoming industry.[30] Therefore, it would appear that the Board of Trade's policy toward growth areas may have been compatible with the Scottish Office's own view that less emphasis, in public at least, should be given to them.

The deliberations of the Select Committee on Scottish Affairs also provide some insight into the general procedure followed by the Board of Trade in attempting to steer industry. At the outset, it should be noted that information concerning possible migrant firms is circulated to all controllers. Even if the initial contact is with one of the regional controllers they are obliged to notify the centre of all definite inquiries and this information is then passed on to all other regions. When a firm expresses an interest in Scotland, it is the responsibility of the Scottish controller of the Board of Trade to determine which areas within Scotland should be suggested to the firm for investigation. In this respect he will be guided by any particular demands which the firm may have, such as special labour requirements

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[30] Supra. pp.35-6

or the need for a large water supply. Where special information is required, the controller would contact the appropriate ministry. However, "Most of the information available is in the Board of Trade."[31]

Of particular interest to this study is the extent to which the Scottish controller consults Scottish authorities in deciding which areas would be most suitable for a prospective incoming firm. As indicated above, the need for specific additional information would bring contact with the Scottish Office, usually the Scottish Development Department. However, Board of Trade officials acknowledged to the Select Committee that "there is a possibility that he (the Scottish controller) might go ahead and suggest three or four sites which an incoming industry should look at on his own discretion without referring to the Scottish Office, the Scottish Development Department or the Scottish Economic Planning Council, if he thought it was not necessary to refer to them."[32] At the same time, the Board did not see the need for the suggestion of one Select Committee member that "to help....liaison....a member of the staff of the Scottish Development Department or the Scottish Development Division (should be) seconded,

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31
S.C.S.A., Minutes, 397, p.126

32
Ibid., p.126

if you like, or assigned to the controller's office, so
that they were in constant and perpetual daily touch."[33]
Board of Trade spokesmen expressed doubt that any one man
could have all the varied information the Board might require
and, in any event, they stressed that contact was very close
under the existing arrangements.

When queried by the Select Committee, Scottish officials
agreed that it was primarily the responsibility of the Board
of Trade to decide which areas to show an interested firm,
but added that "We usually have discussions about orders of
priority in the areas."[34] Interviews with senior officials
in Regional Development Division indicated general satisfaction
with the degree of consultation between the Scottish Office
and the Board of Trade concerning the steering of industry
within Scotland. This consultation had apparently improved
substantially with the establishment of the Scottish Develop-
ment Group and its successor the Scottish Economic Planning
Board.[35]

Turning to the provision of advance factories, it would
appear that, as with the IDC control, the magnitude of the

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[33]
Ibid., p.126. In fact, there is a senior official in
Regional Development Division who is responsible for liaison
with the Board of Trade.

[34]
Ibid., p.33

[35]
Interviews April 10th, 1968 and June 21st, 1971.

Board of Trade efforts varies with the party in power.

According to one study, "Between October 1964 and April 1970, 221 advance factories were authorized in the development and special development areas, whereas during the previous 13 years the number authorized was only 49."[36] The actual location of advance factories in Scotland does not indicate any sustained concentration on growth areas. As indicated below (Table #2), the majority of the factories appeared to be located in small areas of high unemployment, especially after the 1967 designation of Special Development Areas. However, here again it is difficult to interpret this as an emphasis incompatible with Scottish Office priorities since they had ceased publicly to espouse a growth area policy. Scottish officials expressed satisfaction with Board of Trade consultations respecting advance factories. As a Regional Development Division officer explained it, most of the locations tend to "choose themselves."[37] In other words, by the time a new round of advance factories was forthcoming the appropriate locations would have become fairly obvious in most cases. Apparently there was rarely any major disagreement with the Board of Trade over the location of an advance factory.

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[36] Report of the Study Group on Regional Planning Policy, Labour Party, 1970, p.20.

[37] Interview, June 21st, 1971

TABLE #2

Advance Factories Announced From 1964 to DATE

Location	Size	Date Announced	1963 G
Donibristle (No 2)	27,500	30.4.64	---
Dundee (No 1)	27,500	30.4.64	---
Kirkcaldy (No 1)	27,500	30.4.64	1963
Queenslie (No 2) Glasgow	27,500	30.4.64	SDA*
Vale of Leven (No 2) Dunbartonshire	17,500	30.4.64	1963 G
Queenslie (No 4) Glasgow	10,000	18.11.64	SDA*
Queenslie (No 3) Glasgow	12,000	18.11.64	SDA*
Bellshill (No 1) Lanarkshire	40,000	18.11.64	1963 G
Falkirk (No 1) Stirlingshire	40,000	18.11.64	1963 G
Port Glasgow (No 2)	12,000	18.11.64	SDA*
Blantyre (No 1)	12,000	18.11.64	1963 G
Kilsyth (No 1)	12,000	18.11.64	---
Carluke	12,000	18.11.64	SDA*
Cumnock (No 2)	12,000	18.11.64	---
N Cardonald (No 1) Glasgow	12,500	24.9.65	SDA*
Aberdeen (No 1)	12,500	24.9.65	---
Stranraer (No 2)	12,500	24.9.65	---
Leven (No 1)	12,500	24.9.65	SDA*
Sanquhar (No 2)	12,500	24.9.65	SDA*
Harthill (No 1) Lanarkshire	12,500	24.9.65	---
Bellshill (No 2) Lanarkshire	12,500	24.9.65	1963 G:
Girvan (No 1)	12,500	24.9.65	SDA*
Cowdenbeath (No 2)	18,750	24.9.65	1963 G:
Douglas (No 1) Lanarkshire	18,750	24.9.65	SDA*
Campbeltown (No 1)	6,250	24.9.65	---

** Data Provided by the Regional Development Division

Advance Factories Announced From 1964 to Date

Location	Size	Date Announced	1963
Inverness (No 1)	6,250	24.9.65	---
Lochgelly (No 1)	27,500	9.5.66	---
Cowdenbeath (No. 3)	18,500	9.5.66	1963
Leven (No 2)	18,500	9.5.66	SDA*
Sanquhar (No 3)	18,500	9.5.66	SDA*
Cumnock (No 3)	27,500	9.5.66	---
Douglas (No 2) Lanarkshire	12,500	9.5.66	SDA*
Blantyre (No 2)	27,500	3.11.66	1963
Bellshill (No 3) Lanarkshire	27,500	3.11.66	1963
Kilwinning (No 2)	27,500	3.11.66	1963
Falkirk (No 2)	27,300	3.11.66	1963
Dundee (No 2)	27,500	3.11.66	---
Aberdeen (No 2)	27,500	3.11.66	---
Elgin (No 1)	10,000	3.11.66	---
Kilwinning (No 3)	27,500	2.6.66	1963
N Cardonald (No 2) Glasgow	27,500	2.6.67	SDA*
Queen's Park (No 1) Glasgow	50,000	2.6.67	SDA*
Bellshill (No 4) Lanarkshire	50,000	2.6.67	1963
Chapelhall (No 1) Lanarkshire	27,500	2.6.67	---
Uddingston (No 1)	50,000	2.6.67	1963
Donibristle (No 3)	15,000	2.6.67	---
Banff (No 1)	10,000	2.6.67	---
Dumfries (No 1)	27,500	2.6.67	---
Cowlairs (No 1) Glasgow	20,000	App 29.3.68	SDA*
Darnick (No 1) (Nr Galasheils)	10,000	4.8.69	---
Leven (No 3)	30,000	8.11.68	SDA

Location	Size	Date Announced	196:
Shotts (No 3)	27,500	22.11.68	SDA
Cowlairs (No 2) Glasgow	100,000	22.1.69	SDA*
Coatbridge (No 2)	45,000	22.1.69	196:
Dundee (No 3)	20,000	22.1.69	---
Stranraer (No 3)	20,000	22.1.69	---
Inverurie (No 1)	15,000	17.3.69	---
Girvan (No 2)	20,000	31.3.69	SDA
Sanquhar (No 4)	20,000	1.4.69	SDA
Lesmahagow (No 1)	15,000	14.10.69	SDA
Cowlairs (No 3) Glasgow	30,000	18.3.70	SDA*
Hillington (No 1)	30,000	18.3.70	SDA*
N Cardonald (No 3) Glasgow	30,000	18.3.70	SDA*
Greenock (No 1)	20,000	18.3.70	SDA*
Kilsyth (No 2)	20,000	18.3.70	---
Lanark (No 1)	20,000	18.3.70	---
Mosshill (No 1) Ayrshire	20,000	18.3.70	---
Fort Willian (No 1)	10,000	18.3.70	---
Buckie	10,000	18.3.70	---
Lesmahagow (No 2)	15,000	Auth 5.8.70	SDA
Clydebank (No 1)	25,000	19.2.71	SDA
" (No 2)	50,000	19.2.71	SDA
" (No 3)	25,000	19.2.71	SDA

*Not SDA at date of announcement of the advance fac

In summary, it is difficult to determine with any certainty whether the Board of Trade's steering of industry efforts have concentrated on areas considered by the Scottish Office as priorities. However, this is largely a reflection of the increasing lack of clarity about these priorities, especially in connection with the 1963 growth areas. If one accepts the testimony of senior Scottish Office personnel, both during the deliberations of the Select Committee on Scottish Affairs and in interviews with the writer, the Board of Trade's steering of industry and location of advance factories have been largely in accord with Scottish Office preferences.

While the activities of several other Whitehall departments, such as the Ministry of Technology, the Department of Employment and Productivity and the Ministry of Transport also affected Scotland's pursuit of regional development,[38] their relations with the Scottish Office are not examined separately. Instead they form part of a more general analysis of Whitehall-Scottish Office relations in the context of the Scottish Economic Planning Board.

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[38] Supra., pp.55-7.

The Scottish Economic Planning Board

In assessing the performance of the Scottish Economic

Planning Board it is useful to begin by noting some general

characteristics of the new regional machinery. On this

basis certain distinctive features of the Scottish Board

can be more easily seen.

Perhaps the single most important factor in understand-

ing the subsequent performance of the Planning Boards is that,

when they were established with much fanfare in 1964-65, no

formal powers were given to them. Thus the Boards were intend-

ed to ensure that different ministries acted in concert when

dealing with matters of regional importance; yet they were

given no executive powers and the responsibility for economic

development remained divided among a number of separate minis-

tries. Another weakness of the Boards can be attributed to

their composition. Even on the optimistic assumption that the

central departments fully supported the objectives of the new

regional machinery,[39] they were simply not in a position to

provide ten senior men to staff all the Planning Boards.

Usually the man in the field was appointed, or, where none

existed, junior or older persons with little chance of other

[39] This certainly cannot be taken for granted. For example,
see the Report of the Study Group on Regional Planning Policy,
op. cit., p.23.

promotion.[40] More polemically, it has been asserted that
"their loyalty is not to the region but to their department
and their objective is not to win praise for putting the
region's case, possibly against the views of their masters
in Whitehall, but to please these masters so they can re-
turn from exile in the provinces."[41] Still on composition,
since the eight English Boards were chaired by officials
on the establishment of the Department of Economic Affairs,
the decline and ultimate demise of that department served
to further weaken their position.

Another limiting factor was noted by a Deputy Under
Secretary of State in the Department of Economic Affairs
shortly after the establishment of the Boards. "The effect-
iveness of the regional organization as a whole will there-
fore depend on the degree of delegated responsibility which
central departments are prepared to give to their regional
representatives, and the extent to which differences between
departments can be resolved at the regional level."[42] How-
ever, the establishment of the Boards was not accompanied by

[40]
    "Trouble with Regional Planning", New Society,
August 10th, 1967, p.188

[41]
    Mackintosh, op. cit., p.105

[42]
    A. W. Peterson, "The Machinery for Economic Planning:
III. Regional Economic Planning Councils and Boards", Public
Administration, Spring 1966, p.40

increased delegation of authority from Whitehall, and it is likely that most controversial items do not even find their way onto the Board agenda.[43] Finally it should be noted that, at least in the English regions, the Boards' tasks of providing data and preparing plans for the consideration of the economic planning councils have been hampered by the lack of adequate staff.

Turning to the Scottish Economic Planning Board one can discern several differences from the general pattern. First, as previously noted, when the Scottish Board commenced operations Scottish and Whitehall departments had already had more than two years experience of working together on a similar body known as the Scottish Development Group.[44] This background, particularly the collaboration involved in the preparation of the 1963 White Paper on Central Scotland, facilitated the Board's task of getting the relevant departments to think in terms of common regional objectives. Moreover, according to Scottish Office testimony to the Commission on the Constitution, the important Whitehall departments (Board of Trade, Department of Employment and Productivity and Ministry of Technology

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[43]
Mackintosh makes essentially the same point when he observes (op.cit.,pp.105-6) that "Where Whitehall departments have different criteria, these are not being reconciled in the interests of each particular region but are being fought out and won in the trenches of Whitehall."
[44]
Supra., p.73

were cited as examples), had strong regional offices in
Scotland and were represented on the Board by senior officials.[45]

The main advantage enjoyed by the Scottish Economic Planning Board has been the backing provided by the Scottish Office, particularly the Regional Development Division. As noted above, the Division not only provides the chairman for the Board (in the person of an Assistant Under-Secretary of State) but also acts as a secretariat preparing agenda and compiling, or overseeing the compilation of required information. However, it does more than that. Because of its general responsibilities for advising the Secretary of State and for economic planning within Scotland, the Division is in the best position to take an overview of Scotland's interests and to know where action is needed. Not surprisingly, this has enabled the Division to become in some respects the dominant body, determining the activities of the Planning Board. Sir Douglas Haddow admitted as much to the Select Committee on Scottish Affairs with the remark that "in my experience the initiatives (for the Board) usually come from the Regional Development Division."[46]

With their chairman from the Regional Development Division, the Scottish Economic Planning Board was not as directly

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[45]
    Commission on the Constitution, Minutes 2, p.9

[46]
    S.C.S.A., Minutes, 397, p.43

affected as its English counterparts by the decline of the
Department of Economic Affairs. Because of the existence
of four Scottish departments the Board was also partially
shielded from the spate of reorganizations which character-
ized Whitehall in the second half of the 1960s. Moreover,
while the English Boards consisted of national ministries,
the Scottish Board included four Scottish departments whose
jurisdiction was confined to Scotland. Its task of getting
all relevant departments to think in terms of the region
(Scotland) was therefore correspondingly lessened.

No thorough analysis of the work of the Scottish
Economic Planning Board has been attempted, largely because
the secrecy surrounding its deliberations makes such an
exercise very difficult. However, on the basis of inter-
views and evidence to the Select Committee on Scottish Affairs,
a general assessment follows.

As the body charged with coordinating the work of
departments concerned with economic planning and development,
certain omissions from the Scottish Board's membership have
been viewed with concern. The Select Committee on Scottish
Affairs, for example, were quite critical of the absence of
the Treasury and the Department of Economic Affairs. In
response the Scottish Office explained that "the stage when
the Treasury really comes into this is when the plans get to

ministerial level and when the public expenditure survey reviews are being carried out."[47] They also pointed out that the Planning Board itself does not attempt to clear figures with the Treasury; this is a departmental responsibility: "The Board's function is to make sure that the Departments are seeking to clear with the Treasury a set of programmes that are in step with one another."[48] The basic explanation for the absence of the Department of Economic Affairs was that "This reflects the fact that within Scotland the Secretary of State for Scotland does the work which the Secretary for Economic Affairs and his Department do in the English regions".[49] It might be noted that the Select Committee found it difficult to reconcile the responsibilities of the Secretary of State for Economic Affairs and the Secretary of State for Scotland in relation to economic planning. They were also uncertain about the value of the D.E.A. for Scotland.[50]

Measuring the actual performance of the Scottish Economic Planning Board is very difficult. Regional Development Division officials cited the value of the Board (and the Scottish

[47] Ibid., p.39

[48] Ibid., p.37

[49] Ibid., p.35

[50] Ibid., pp.50, 169 and 189-90.

Economic Planning Council) in, for example, providing local
and regional viewpoints to the Minister of Transport on
proposed railway closures. While they could not recall any
instance when the objections of the Planning Board had averted
an impending closure, they noted that such objections had
occasionally obtained deferments and also prevented the
Ministry of Transport from lifting the tracks in some in-
stances.[51]

In this context it is instructive to review some of
the activities of the Board and Council[52] with respect to the
closure of the Edinburgh-Hawick-Carlisle railway. The second
1967 meeting of the Scottish Economic Planning Board saw con-
sideration of a report from the Borders Consultative Group
recommending retention of the line. During discussions the
Scottish Office called the report very reasonable, but spokes-
men for British Rail and the Ministry of Transport expressed
disappointment at the lack of new facts or positive suggest-
ions, and asserted that any alternatives to closure would have
to be specific and well substantiated. After some further dis-
cussion, it was agreed that the Board should consider the
closure again in detail at its next meeting and that, in the
meantime, the costs of the various alternatives to complete
closure should be estimated.

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[51]
Interview, October 1st, 1968

[52]
While the Council is considered separately below, it is
referred to in some of the examples of Board deliberations to
show how the two bodies inter-acted, and what kind of infor-
mation flowed between them.

The Scottish Economic Planning Council also discussed the issue at length during their June 1967 meeting. Their Transport Committee reported that it would be very difficult to reach a balanced decision on the closure question. Their own deliberations had led to the conclusion that only closure of the Hawick/Carlisle section of the line be endorsed. Some members had argued that the whole line be retained and a final decision deferred for two or three years until the development plans for the Borders were further advanced. In the discussion which followed several Council members argued that notwith-standing the present cost of providing the rail service the Government should take a long term view and should consider the viability of the line in the context of anticipated growth in the Borders economy.[53] The Planning Council concluded its discussions with agreement to propose retention of services over the entire route.

However, within a month (July 15th) the Minister of Transport confirmed the closure of the Edinburgh-Hawick-Carlisle line. Since the Planning Board and Council - and, for that

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[53] The reasoning here is very similar to the previously-noted arguments advanced in support of the East Fife regional road. In both cases the underlying rationale was that since a special programme of expansion had been undertaken, the "normal" criteria should not necessarily apply. Rather, the Government was urged to look into the future and consider the growth its policies were expected to achieve.

matter, such other bodies as the Borders Consultative Group
and the Scottish Transport Users Consultative Committee -
had recommended retention of the line, it is tempting to
dismiss them as ineffective or ignored. However, it should
be appreciated that whatever the outcome, the existence of
the regional machinery subjected the closure question to
much more consideration, study and vocal expressions of
opinion than had previously occurred or been possible. Nor
can it be assumed that the decision necessarily would have
been any different if the responsibility had rested with an
elected Scottish Assembly. It too would have had to reconcile
the needs of expansion with the substantial rail deficits.[54]
Finally, the Scottish Economic Planning Board should not be
thought of primarily as a pressure group whose effectiveness
is measured by the number of controversial issues it wins.

As other examples of the work of the Planning Board, the
Regional Development Division mentioned consideration of the
main roads programme for the 1970s as proposed by the Scottish
Development Department and "cooperating in the arrangements

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[54]
However, it might reasonably be expected that such a
Scottish Assembly would have shown more sensitivity in timing
any closure announcement. As previously outlined, the Minister
of Transport made the announcement just a few days before an
important meeting between the Scottish Office and Roxburgh
County to discuss implementation of the Central Borders Plan.

for deciding on the definition of "[55] the Special Development Areas designated in late 1967. However, the Board apparently made only minor changes in the proposed road programme, notably strengthening horizontal links in the Borders. By way of explanation it was pointed out that since the road programme was following the lines set down in the 1965 to 1970 Scottish Plan, the Board would be unlikely to find much fault.[56]

The Board appears to have had even less influence over designation of Special Development Areas. One senior official suggested that in many cases the exercise was quite straight forward - that is, the collieries are static and the areas to be demarcated were fairly obvious.[57] It appears that the criteria used in selecting the Special Development Areas were determined by a Westminster Committee, which included the Secretary of State for Scotland, and that once the criteria were established there was little flexibility for the Planning Board.[58] While the Special Development Area programme was also discussed by the Scottish Economic Planning Council, at their November 1967 meeting, it is very unlikely that their

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[55] Interview, October 1st, 1968.

[56] Ibid.

[57] Ibid.

[58] Interview, April 2nd, 1968.

deliberations resulted in any changes since the Special
Development Areas Programme was announced only four days
later.

Distribution of industry efforts also appeared to
figure prominently in the deliberations of the Scottish
Economic Planning Board (and Council). For example, at a
Planning Board meeting in March 1967, the Board of Trade
recorded their desire to have a comprehensive blueprint
which would guide industrial development over the next ten
to fifteen years. They pointed out that land acquisition
procedures for Board of Trade factory building took some
time to complete and claimed that advance information about
the priority areas for development would help to avoid delay.
It might also be noted that according to a report by the
Regional Studies Committee to the June 1967 meeting of the
Scottish Economic Planning Council, their (that is, the
Committee's) views had been largely met in the locations
chosen for the latest round of advance factories.

These illustrations lend credence to the claim advanced
by some senior officials[59] that consultation with the Board of
Trade has substantially improved since the establishment of
the regional machinery. At the same time, one must weigh

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[59] Notably, interview, April 10th, 1968.

against this the evidence given by the Board of Trade to
the Select Committee on Scottish Affairs. While acknowledg-
ing that the Planning Board "helped to get what I might call
a more comprehensive view of the problem"[60] a representative
of the Board of Trade emphasized that "The Board of Trade's
own executive responsibilities have gone on the whole time
through this and I do not know that we have been directly
influenced."[61] To a Committee member's remark that this
was not a very enthusiastic attitude, the Board of Trade
spokesman remarked: "I can only look at its bearing on my
own work. I think the bearing of the planning board is
largely on other aspects of government plans or planning
rather than on what I can do under our own legislation."[62]

The Select Committee on Scottish Affairs devoted con-
siderable attention to the work of the Planning Board and the
nature of its deliberations. In response to queries, the
Scottish Office explained that information from U.K.ministries
is submitted through the representatives on the Board, but
"all major, important papers are usually discussed between
the controllers and their central headquarters so that the

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[60] S.C.S.A., Minutes, 397, p.128

[61] Ibid., p.128

[62] Ibid., p.129

headquarters of each Department knows exactly what information is being processed through the Planning Board."[63] The Committee also asked whether U.K. representatives came to the Board with a view previously cleared in Whitehall (that is, with a Board of Trade view or a Department of Employment and Productivity view) or whether they first formulated a Board view which they then put to their superiors in the Whitehall departments. The Scottish Office replied that "In the vast majority of cases where there is a new situation arising in Scotland itself the formulation of a Scottish approach to this problem is the first step,"[64] and agreed with the Committee that where the Board has taken a collective view on something this creates a situation where the advice is stronger than if it came direct from a Scottish controller.[65] They also indicated that the Planning Board does not "simply coordinate plans which have already been agreed to at higher levels in U.K. ministries"[66], but often takes the initiative itself. In fact, as previously noted, in most cases the initiative probably comes originally from the Regional Development Division. On the other hand, the

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[63] Ibid., p.35

[64] Ibid., p.36

[65] Ibid., p.36

[66] Ibid., p.44

Scottish Office acknowledged that Planning Board views had to be reconciled with, and occasionally modified by, considerations of national interest, ultimately within the cabinet itself.[67]

Generalizing from this incomplete picture certain observations can be made. It would appear that items are submitted to the Planning Board before final decisions are taken - that is, the Board does not simply rubber stamp decisions already made. Offsetting this, however, is the likelihood that many important issues do not reach the Board at all. As one senior official expressed it, "it must be remembered that the various Regional Controllers have limited autonomy. Their ministers will not authorize them to discuss issues of importance if an adverse viewpoint of the Board is likely to be recorded."[68] Moreover, to determine the influence of the Board's views on those issues which do reach it is almost impossible because of the lack of publicity concerning its deliberations. The few examples outlined above, while inadequate and inconclusive, suggest a significant increase in consultations between Whitehall and Scottish Departments, but little indication that Board views have materially altered decisions.

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[67] Ibid., p.36

[68] Interview, October 1st, 1968. Also recall Mackintosh's remarks, supra., p. 279

Senior officials in the Regional Development Division contended, however, that the Scottish Economic Planning Board should not be evaluated on the number of important decisions it sways. Such an approach, they argued, over-looks the real value of the Board which is primarily to provide the regular consultation which helps prevent overlap and duplication and points the way to items needing coordination. The real achievements of the Planning Board, maintained one senior official,[69] are not usually reflected in the minutes, but arise because of follow-up contacts suggested by the Board's deliberations. Much the same point was made by another official who noted that "where necessary, those matters are reported to the Planning Council or to Ministers but, for the most part, these discussions often do no more than point to the need for one or two of the departments concerned in a particular situation to get together and co-ordinate their interests, reporting back to the Board if necessary."[70]

Thus, whether or not the Scottish Economic Planning Board is judged to be a success depends upon the objectives

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[69] Interview, October 1st, 1968.

[70] Interview, October 1st, 1968.

one sets for it. If the role described above by the Regional Development Division appears to fall short of the coordinating role envisaged at the time of the Board's establishment, it must be remembered that the Board operates within a number of limitations. In particular, there is the fact that all member departments have retained full executive authority and that all financial implications of the Board's deliberations must ultimately be cleared with the Treasury by the individual department or departments concerned. Indications are that the Scottish Economic Planning Board enjoys several advantages over its English counterparts and that, largely through the efforts of the Regional Development Division, it has had a fair degree of success in fostering a coordinated approach to the pursuit of regional development in Scotland.

Scottish Economic Planning Council

It is customary to discuss the economic planning boards and councils together since they were established as interlocking pieces of regional machinery. Indeed, in the first flush of enthusiasm of the mid-1960s, the Councils were expected to assist in the formulation of plans for their regions on the basis of information provided (in part) by the Boards. Therefore, even though this section is concerned with the adequacy of administrative arrangements involving Whitehall and the Scottish Office, it concludes with a brief examination

of the Scottish Economic Planning Council. As with the analysis of the Scottish Board (above), the general characteristics of the Planning Councils are first outlined.

The Councils were expected to achieve some involvement of local public opinion and knowledge in the decision making process. Yet their members were not appointed as representatives of local bodies and were not allowed to report the proceedings of the Councils to the other regional or local bodies on which they served.[71] The Councils had no power to force their proposals on the central government nor, for that matter, to secure local authority adoption of their proposals. In the words of one writer: "As nominated bodies they have little moral authority and, lacking autonomous powers of initiation and execution, all they can do is to compete with the other nine regions for the favours of the central government."[72]

The composition of the Planning Councils did little to overcome their lack of formal powers. Most chairmen appointed were already active in regional life with a host of honorary offices; yet the burdens they were expected to assume would

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71
Mackintosh, op. cit., p.102

72
Banks, op. cit., p.147

have required at least half-time work.[73] The Council member-
ship varied considerably in ability and expertise.[74] Weak

members contributed little and able men grew increasingly

frustrated with the lack of real power vested in the regional

machinery, and with their inability to influence significantly

central government decisions.[75] Finally one of the most

serious problems besetting the Councils is that their work

has received very little publicity, mainly because their meet-

ings are held in private. Since the public is unaware of any

Council achievements it tends to regard the consultative bodies

as ineffective. One recent study pessimistically concludes

that: "For the immediate future it looks as though the Region-

al Economic Councils......can do little more than prepare and

publish research on the special needs of their areas. Ministers

seem to have gone out of their way to repudiate any intention

of acting on any of those already published."[76]

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[73] New Society, op. cit., p.188.

[74] Ibid., p.188. "Often there is no Council member with
qualifications in economics or statistics!"

[75] The Guardian of January 16th, 1968 carried an article
by Terrence Bendixson questioning the effectiveness of regional
planning councils. He begins by citing "the near resignation
of two chairmen over a rejected dock scheme and an abrupt pit
closure ,the stepping down in disillusionment of a third chair-
man, and the angry withdrawal of two members". He further notes
that "in replies that it has made to recommendations from the
regions the Government has not yet seen fit to agree to anything
costing big money."

[76] Banks, op. cit., p.147

Turning to Scotland one finds that the inherent weak-
nesses of the Planning Council are modified by the fact that
members are not only appointed by but also chaired by the
Secretary of State for Scotland. Whether this serves to
strengthen or weaken the Council is open to question. Ob-
viously, this chairmanship gives the Scottish Economic Plan-
ning Council far greater access to the Government than their
English counterparts.[77] On the other hand, the very fact
that they are so tied in with the Scottish Office makes it
difficult for the Council to take an independent, critical
stand on Government policies. During the period under study
there were growing suggestions, even within the Labour Party
itself, and from many of the trade unions who campaigned for
the establishment of the Scottish Economic Planning Council,
that the Secretary of State should not remain as chairman.[78]
Their argument was that "in practice the advantage of having
access to the cabinet has been outweighed by the tendency for
the Council to be seen merely as the mouthpiece of the Govern-
ment, thus undermining its autonomy in the public eye."[79] Some

[77] On this basis, Banks (op.cit.,p.147) felt that the Scottish
(and Welsh) Planning Council was better placed than the English
Councils.

[78] For example, Report on a Labour Conference in The Scotsman,
April 6th, 1970.

[79] Ibid. The Scottish Trades Union Congress expressed similar
reservations in their evidence to the Select Committee on Scottish
Affairs. They were concerned that the presence of the Secretary
of State might inhibit the participation of civil servants and
limit discussion. The Scotsman, January 20th, 1970.

critics went further and called for a Council completely
free of the Scottish Economic Planning Board with its own
economic advisers and secretariat drawn from the universi-
ties.[80] In practice, of course, the implications of chair-
manship by the Secretary of State depend largely on the
willingness of any particular Secretary to solicit and
listen to advice.

As with its counterparts in other regions, the Scottish
Economic Planning Council has suffered from the secrecy
surrounding its deliberations. Even if the Council has, in
fact, been maintaining an independent position and vigorously
criticizing Government policies, how is the public to know
this? In the absence of evidence to the contrary, the Council
is assumed to be ineffective. As The Scotsman editorialized,
"Perhaps the S.E.P.C. throws up enterprising ideas and trenchant
criticisms of Government policy. If so, it hides its light
under a bushel, and....the public cannot be blamed for thinking
that it is another feckless advisory body."[81] On another
occasion the same paper observed that "anyone intensely inter-
ested in the work of the council would have to be unusually
pertinacious to discover what it is doing. Members are

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[80]
The Scotsman, April 6th, 1970, Conference Report, op. cit.

[81]
The Scotsman, January 20th, 1970.

apparently forbidden to make public or detailed reports of
its proceedings....This seems a pretty slender basis for
participation."[82]

The Select Committee on Scottish Affairs probed at
some length both the secrecy of meetings and the restrictions
on Council members divulging their deliberations afterwards.
On the first point the Scottish Office offered the excuse
that "from time to time matters of real commercial confidence
do arise, and it would be a little awkard to have to clear the
gallery when this happened."[83]   They also indicated that "in
the present setup it is possible for the Secretary of State to
give a much fuller exposition sometimes of certain aspects of
Government policy than could be given in public."[84]   In
addition, Scottish officials informed the Select Committee
that Council members were free to fulfil their task of dis-
seminating information and fostering a greater awareness of
regional planning issues provided that they discussed matters
in a general way, and did not "attribute particular views to
particular members of the Council."[85]   At least some of the

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[82]
   The Scotsman, May 6th, 1969.

[83]
   S.C.S.A., Minutes, 397, p.104.

[84]
   Ibid., p.104.

[85]
   Ibid., p.105.

Committee members remained sceptical about this question however, and about whether the Secretary of State's press conference following each Council meeting was an adequate way of publicizing Council activities and viewpoints.[86]

Assessing the contribution of the Scottish Economic Planning Council is difficult, not only because of the closed nature of their deliberations but because the Scottish Office and particularly the Secretary of State take every opportunity to emphasize the importance of the Council's role. Thus, according to the January 1968 issue of the Scottish Office's Quarterly Report:[87]

The following represent major developments in Central Scotland which the Council has assisted in promoting:

(1) The establishment, on a combined basis between the University of Strathclyde and the National Engineering Laboratory at East Kilbride, of the major research centre in the U.K. for advanced engineering design, particularly in the field of machine tools:

(2) The encouragement of the rapid provision of container berths at Greenock and of inland clearance facilities in Central Scotland;

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[86]
     Ibid., pp.97-8, contain an interesting exchange on this subject.

[87]
     Scottish Office, Scottish Economic Development, Quarterly Report, No. 8., Edinburg, HMSO, 1968, p.2

(3) Consideration of major programmes of housing
development in support of economic growth,
particularly in new and expanding areas;

(4) Detailed analyses of labour training and re-
training requirements leading to expanded
programmes of training both by Government
and by manufacturing establishments with
additional financial assistance from Govern-
ment.

The performance of the Council was examined in some
detail by the Select Committee on Scottish Affairs. In
spite of examples provided by the Scottish Office they
remained sceptical of the Council's effectiveness, appar-
ently in large part because they felt that approximately
15 hours a year from individuals otherwise fully occupied
did not provide sufficient time for any substantial achieve-
ments. This point of view was expressed by one Committee
member in the following quotation: [88]

> What I wish to get at is this major point that
> we do not wish to convey the impression that
> men who are engaged full time in trade union
> work, industrial work, university work, local
> government work, can come along and pick up
> the problem of Scottish planning and suggest
> really very major new departures to men who
> are engaged in this full-time living in Scotland.
> If this were the case, it would be extremely
> worrying, to put it no higher?

[88]
    S.C.S.A., Minutes, 397, p.103

The Committee repeatedly pressed for further examples of issues considered by the Council until the Scottish Office indicated that nothing further could be added to what had already been presented.[89]

Notwithstanding official efforts to emphasize the importance of the Council, comments from a number of senior Scottish Office personnel indicated that it is not regarded as a very significant force. For the most part it has followed the lead of the Scottish Economic Planning Board and the Regional Development Division, rather than initiating items on its own. In this connection the Scottish Office informed the Select Committee that the Council was not regarded as a body which played a major role in initiating policy.[90] Even considered as a strictly advisory body the effectiveness of the Council is suspect because of the Secretary of State's chairmanship and the cloak of secrecy surrounding its deliberations.

Perhaps the main defect of the Scottish Economic Planning Council in the 1960s was that too much was expected of it. Even though it was only an advisory body of individuals serving part-time, the original terms of reference implied

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[89] Ibid., p.105

[90] Ibid., p.104

very significant responsibilities for it. The realization that a more realistic role should be delineated for the Council appeared to underlie the recent change introduced by the new Conservative Government. As previously noted,[91] the Council was re-named the Scottish Economic Council to emphasize its purely advisory role. This seems to be a sensible change, since advice is all that a body such as the Council could reasonably be expected to contribute. How well it performs this function depends on two main variables, the calibre of personnel on the Council and the willingness of the Secretary of State to seek their advice. At least there should be less possibility in the future of the Council incurring criticism for failing to meet objectives which it could not reasonably be expected to attain.

Scottish Office - Local Authority Relations

In general, because of the small scale of operations relations between the Scottish Office and local authorities have been good and have been characterized by informal, personal contacts. This point was put to the Commission on the Constitution by the Scottish Office (A.B.Hume, Secretary, Scottish Development Department) in a comment which

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[91] Supra., p.80.

bears repeating.[92]

> Among the local authorities there is under-
> standing of what we are up to and how we are
> doing it, and I would think there is much
> closer rapport between us and the Scottish
> local authorities than I encountered when I
> served in Whitehall, between some English
> ministries and English local authorities.
> As it happens they are on our doorstep,
> they are in and out of St. Andrew's House
> every day; and we go out and see them fre-
> quently.

Kellas also cites as one of the strengths of the Scottish

Office as compared with Whitehall the fact that "personal

contacts with the localities are good, making for frequent

face to face contacts between central and local government."[93]

In addition, most of the local authorities interviewed

commented favourably on their relations with the Scottish

Office (which mainly involved the Scottish Development

Department) and cited informal contacts as a major factor.

Several local officials stressed the value of being on a

first name basis with their Scottish Office counterparts,

and of the ease of settling matters over the telephone.

Ironically, this very informality of operations also contri-

buted to one of the few criticisms advanced by the local

authorities. Since much of the Scottish Office administration

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[92] Commission on the Constitution, Minutes,2, p.37

[93] Manuscript of a forthcoming publication, J.G.Kellas,
The Scottish Political System, Cambridge University Press,
expected publication date, 1972.

was based on personal contact rather than routine formalized procedures, new staff required a considerable "breaking in" period. A majority of the local authorities interviewed felt that because of this frequent changes in staff occasion- ally inhibited relations with the Scottish Office.[94] However, most appeared to regard occasional communications difficulties with new departmental staff as a small price to pay for the generally good relations and friendly personal contacts they enjoyed with Scottish Office personnel.

Another criticism advanced by local authorities merits a brief mention. A few officials expressed the view that the Scottish Office was not doing enough to enforce develop- ment priorities. Not surprisingly, given the previously out- lined experiences of the Greater Livingston growth area, this argument was put most forcefully by Livingston New Town.[95] Livingston officials referred to Edinburgh's plans for the construction of a shopping centre on the western boundary of the city as a future source of competition for the new town in servicing the Greater Livingston area. Similarly, it was felt that Bathgate's plans for commercial redevelopment and Whitburn's ambitious expansion efforts were inconsistent with

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[94] Midlothian, West Lothian, Whitburn, Livingston, Motherwell & Wishaw, Hamilton and Lanark County all commented on the turn- over of personnel in the Scottish Development Department.

[95] Interview, July 18th, 1968.

the Lothians Plan, and to some extent in conflict with
Livingston's future growth. Finally, Livingston officials
noted the existence of the "rival growth centre" of
Grangemouth/Falkirk just 15 miles away, and expressed doubts
as to whether both areas could expand as much as originally
projected. Their point was that only the Scottish Office
was in the position to ensure that available resources were
allocated most productively, and to prevent inappropriate
developments - a role it was not adequately fulfilling in
Livingston's view.

Subsequent events have tended to confirm Livingston's
fears. For example, the Progress Report for Greater Livingston,
previously described,[96] revealed the town's slow growth and
the substantial expansion of the Whitburn area. The exam-
ination of overspill policy in Chapter Five also raised
questions about the probable growth of areas such as Greater
Livingston and Grangemouth/Falkirk. However, much of the
concern about failure to enforce priorities has to be seen
in the light of the increasingly blurred state of regional
policies in the latter part of the 1960s. Lack of clarity
in policies rather than faulty administration was the main
problem. Therefore, to the extent that the Scottish Office
should have provided stronger guidelines, the Regional Dev-
elopment Division - as the economic planning body - must
accept responsibility.

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[96] _Supra._, p. 132.

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Notwithstanding the generally good relations with
local authorities, efforts by the Scottish Office to im-
plement regional development programmes imposed new demands
and revealed the inappropriateness of the local government
structure and the inadequacy of local finances. In simplest
terms, the implementation of these regional development pro-
grammes required not only close working relations between
local authorities and the Scottish Office but also collabor-
ation among a number of local authorities within areas
receiving special Government emphasis. Until a fundamental
reorganization of local government could take place,[97] the
main administrative response of the Scottish Office was to
encourage the establishment of joint working parties of
central and local officials. As outlined in Chapter Three
these working parties were the main administrative machinery
used in the implementation of the 1963 growth area policy.
A joint working party also figured prominently in the efforts
(described in Chapter Five) to increase the volume of over-
spill to Lanarkshire. On the basis of these experiences
it should be possible to make an assessment of the adequacy
of this machinery.

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[97] As presaged by the Report of the Royal Commission on
Local Government in Scotland and the subsequent Government
White Paper on Local Government, discussed below.

The Joint Working Party

An evaluation of the working party on the basis of its performance in the three growth areas studied is subject to certain difficulties. The achievements of any working party depend upon a number of variables including the extent of Government commitment to the growth area, the existence of detailed guidelines for deliberations and the attitude of the local authorities (notably any prior history of conflicts). In addition, since the relative success or failure of a working party depends on what is expected of it, the lack of any specific definition of the objectives of this machinery makes analysis difficult. Given these factors, the surest approach would seem to be to describe what, in practice, the working party has achieved and what tasks have been beyond its scope.

At the very least, the working party provided a mechanism for an easy and regular flow of information among all parties represented. However, the value of this interchange and the extent to which it spawned further contacts outside the working party meetings, depended on such factors as the prevalence of substantive topics of common interest which, in turn, related to the existence of overall guidelines for the discussions. In the absence of these conditions the meetings were often regarded as very time-consuming and,

as being preoccupied with topics which could as easily
have been resolved by direct contact between the individual
parties involved.

The Scottish Development Department appeared to regard
the working party as a useful medium for outlining programmes
they hoped to see local authorities adopt. For example, the
Department utilized the working party to urge local author-
ities to prepare forward plans for rehabilitation projects,
and to prepare Development Plan amendments in concert with
their neighbouring authorities. At the same time, it is
clear that at least some local authorities regarded the
working party primarily as a useful forum for pressuring
the Department for things they wanted. This was most evident
with respect to the East Fife regional road, but was evident
to some degree in the deliberations of all three working
parties.

It was generally agreed that one useful purpose served
by the working party was that it enabled the Scottish Devel-
opment Department to be informed on local authority differ-
ences or potential problems at a very early stage, whereas
previously they had often become involved only when lines
had hardened and agreement was very difficult. The working
party minutes reveal frequent examples of departmental
representatives acting as a "buffer" between dissident

local authorities, attempting to steer controversial items
to one side for separate resolution[98] or, more positively,
acting as a catalyst to guide the local authorities toward
a generally acceptable approach to a particular matter.

On a more ambitious level, the working party had only
limited success in getting the local authorities to work
together in the provision of services. Progress was most
evident in Greater Livingston, where the Lothians Plan
provided a fairly specific programme for the local author-
ities in road construction and the provision of water and
sewerage facilities. However, even the Greater Livingston
working party had little success in reducing the inter-
municipal competition for industry or in promoting the
allocation of council housing for incoming workers. Nor
could any other result be expected with local revenues
dependent upon the attraction of industrial assessment and
lengthy waiting lists and local residence requirements

[98]
    At the same time, the extent to which matters had
to be resolved on an ad hoc basis might also be viewed as
an indication of the working party's inability to reach
decisions, and of the lack of general guidelines for its
deliberations. This appeared to be the case, for example,
with the financial arrangements in Greater Livingston,
where disagreement over sharing of costs led to frequent
special meetings and heavy reliance on a temporary method
of financing known as no profit-no loss. (Supra., p.142).

governing the allocation of housing.[99] In these latter respects, therefore, the working party machinery was clearly inadequate. The concentration of development and mobility of labour inherent in a growth area policy demands an area-wide perspective on both the attraction of industry and the allocation of housing.

The experience of the Lanarkshire land use working party, while quite different, also illustrates the shortcomings of this type of administrative machinery. While the local officials worked well together in undertaking a study of land needs in the area, the question of where increased Glasgow overspill should be accommodated brought disagreement and eventually an impasse. The working party was deadlocked because a decision of this nature raised significant political questions and these brought the traditional county-burgh rivalry to the fore. Thus in both examples the working parties were only successful to the extent that the elected representatives of the constituent local authorities could agree on a common basis for action. Given this situation it may well be that nothing short of enlarged units of local government will provide an adequate administrative solution.

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[99] It might be noted that a partial response to the parochialism of local authorities with respect to housing was the use (described above) of the Scottish Special Housing Association to provide housing specifically to reinforce or encourage development in particular areas.

Another type of machinery established by the Scottish Office should also be mentioned, although it has not been directly involved in the implementation of regional development programmes. This machinery, consisting of economic planning consultative groups for Tayside, the North East, the South West and the Borders, has been generally described elsewhere, with particular attention to the Borders Group. Its relevance in the context of this chapter is considered below.

The Consultative Group

As the name implies, consultative groups were established to foster an exchange of views: "to spread in their areas a wider understanding of economic problems and policies by giving local people direct access to senior Government officials, and to Ministers, and conversely to give Central Government immediate access to a conspectus of informed opinion in the regions."[100] However, their ability to spread "a wider understanding of economic problems" has been hampered by the same limits of confidentiality imposed on the deliberations of the Scottish Economic Planning Council. With no powers of their own and consisting of part-time appointees they are simply not constituted to play a significant role in the implementation of regional development programmes. One very strong

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[100] S.C.S.A., Minutes, 397, p.5

critic of the consultative groups has dismissed them with the following statement. "Unable thus to raise disagreeable issues, to take any action, to report back or to have any arguments reported in the press, these committees seem a total waste of time."[101]

The main contribution of the consultative groups probably has been to encourage local authorities to work together more closely, and to push for the establishment of such local coordinating machinery as Joint Planning Advisory Committees and Development Authorities. As previously outlined,[102] this increasingly has become regarded as one of the main objectives of the consultative groups, and it is intended that as these coordinating bodies, and ultimately a reorganized system of local government, evolve, the consultative groups will cease to function. Thus the economic planning consultative groups have contributed only indirectly to the implementation of regional development programmes. While they may be helping to create more effective forms of administration, their role was minimal during the period under study.

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[101] John Mackintosh, "A Cure for a Chronic Malaise", Scotland, November, 1967, Scottish Council (Development and Industry), Edinburgh, 1967, p.55.

[102] Supra., pp.98-9.

Internal Organization of the Scottish Office

Quite apart from the responsibilities exercised by Whitehall departments and local authorities, Scotland's ability to pursue regional development depends on the way in which her own responsibilities are organized within the Scottish Office. As previously noted the Secretary of State for Scotland possesses the very useful power to organize his administrative machinery as he sees fit, a power which he used to good effect in 1962 by creating the Scottish Development Department. With this reorganization almost all of the Secretary of State's responsibilities relating to regional development were brought together under one department. Such a move does not, of course, automatically ensure that all the responsibilities will be fully co-ordinated. Indeed some local authorities interviewed complained about fragmentation in the processing of applications [103] for grants and a few felt that on occasion the internal divisions of the Department, especially Roads Division, were too specialized and narrow in their outlook. [104] However, the

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103
For example, interview, May 14th, 1968. The senior municipal official interviewed felt that delays in the processing of grants arose at least in part because grant requests from the same local authority went to a number of different divisions of the Scottish Development Department depending on the project involved.

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Interviews, July 2nd, 1968 and August 15th, 1968.

fact remains that the likelihood of these responsibilities being coordinated within a single department is far greater than if they were scattered among several executive departments - as in Whitehall and as was the case, to a lesser extent, in the Scottish Office before 1962.

A second major organizational feature of the Scottish Office is the existence of the essentially autonomous unit known as the Regional Development Division.[105] As previously indicated the Division has provided the major thrust for whatever successes the Scottish Economic Planning Board and Council have enjoyed. It has a general responsibility for liaison with the four Scottish Departments and this, plus the membership of the Scottish departments on the Scottish Economic Planning Board, helps ensure that activities within the Scottish Office are directed toward the achievement of prevailing regional development objectives. The Regional Development Division is also responsible for economic planning within Scotland and acts as a source of expert advice for the Secretary of State on questions concerning the Scottish economy.[106] While these are important responsibilities,

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[105] The Division reports directly to the Secretary of State through the Permanent Under Secretary of State.

[106] In this latter respect, if the Secretary of State is considered as "Scotland's Prime Minister", then the Division could be viewed as part of his cabinet office. It is interesting to compare the position of the D.E.A. which only after several reorganizations became closely associated with the Prime Minister's Office (supra. p.54).

it should be emphasized that the Regional Development Division has no executive powers. Its efforts bear fruit only to the extent that the appropriate Whitehall and Scottish departments can be persuaded to take appropriate action.[107]

This leads to one major reservation about the existing structure within the Scottish Office. While the Regional Development Division attempts to carry out economic planning it is (since 1964) separated from the Scottish Development Department which is closely involved with the implementation of this planning. Granting that the Division's separate status has facilitated its role as secretary to the Planning Board and adviser to the Secretary of State, one wonders whether its responsibility for economic planning has been adversely affected.

Recalling certain developments in Central Scotland may help to illustrate this last point. The increasing lack of clarity concerning the priorities of regional development in the second half of the 1960s became particularly evident in Central Scotland. Some of the 1963 growth areas continued

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[107]
Indeed, several members of the Division confided that attempting to plan matters entirely beyond their control, many of them beyond the control of the Scottish Office as well, was frequently a frustrating experience.

to receive attention, the out-county estate programme of
the Scottish Plan led to the planning of new communities
at Erskine and Stonehouse and, most recently, the West
Central Scotland area was given Special Development Area
Status and a major study was launched under the auspices of
the West Central Scotland Steering Group.[108]   It is difficult
to know whether and how these various initiatives are fitted
together and reconciled. This situation is particularly
curious when in the other regions of the country the prepar-
ation of plans and the formation of consultative groups
(and the Highland and Islands Board) have helped to provide
a general focus.[109]   The Select Committee on Scottish Affairs
raised this question and suggested that Central Scotland had
been considered piece-meal.[110]   Scottish officials rejected
this suggestion but their claim that the Scottish Economic
Planning Council has given particular attention to Central
Scotland is not reassuring given the reservations previously
noted about the significance of that body. Even the recently

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[108]
    Supra., p.100.

[109]
    Thus Chris Baur (The Scotsman, "State of the Nation",
January 25th, 1971) strongly criticized the delay in producing
a plan for the West of Scotland when this exercise had been
carried out "for regions of less decisive importance in re-
shaping the economy."

[110]
    S.C.S.A., Minutes, 397, p.112

initiated West Central Scotland study will not resolve the
question of priorities throughout the central belt, an area
which has not been considered as a whole (at least publicly)
since the 1963 White Paper.

To the extent that the various initiatives in Central
Scotland are being integrated presumably the Regional Devel-
opment Division is responsible. Yet it is in some respects
cut off from these programmes. For example, concern was
expressed above about the possible reduced rate of growth
for areas such as Greater Livingston and Grangemouth/Falkirk
if anticipated overspill from Glasgow were diverted instead
to Erskine and Stonehouse. However, activities in the growth
areas are supervised by joint working parties on which the
Scottish Development Department is represented, but not the
Regional Development Division. Indeed, some members of the
Division have indicated impatience with the working party
deliberations regarding them as the details of implementation
whereas they (in the Division) are concerned with broad
questions of economic planning.

In defence of this situation, Regional Development
Division officials point out that they are in regular contact
with the Development Department, receive copies of working
party minutes and, where the occasion warrants, attend working
party meetings as observers. They claim that they can depend

on the Development Department to bring to their attention matters which have broader economic implications. Taking the overspill example noted above, Regional Development Division officials were involved in the preparation of the Progress Report on Greater Livingston and would, therefore, have become aware of the very considerable shortfall in Glasgow overspill to the area. Most senior officials in the Division contend that the potential disadvantages of their separate status are overcome because of their close contacts with the Scottish Development Department. This is the case largely because of another distinctive feature of the Scottish Office - its small scale of operations and the resultant high degree of informal, personal contacts it enjoys.

While not easy to measure or document, the extent to which the Scottish Office relies on informal administration is quite apparent if one observes the officials at work (as the writer did over a period of several months while carrying out research). In large part this derives from the fact that the Scottish civil service is small, just over 8,000 in mid-1970,[111] and substantially located within St. Andrew's House. In particular, the Regional Development Division and most

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[111]
Kellas, op.cit. estimates that in July 1970 Scottish Office civil servants accounted for only 8,300 out of a total of 42,900 civil servants in Scotland.

of the Scottish Development Department are located in this
building. Moreover, frequent transfer of staff internally
has extended the network of personal contacts and facili-
tated reliance on informal administration. Several senior
officials interviewed had moved between the Development
Department and the Regional Development Division. More
generally, recent research indicates that higher civil
servants frequently move between different departments of
the Scottish Office.[112]

In summary, the generally favourable comments about
the internal organization of the Scottish Office need to be
qualified in two respects. First, because of the status of
the Regional Development Division economic and physical plan-
ning are separated within the Scottish Office. The fact that
this separation is largely overcome because of personal con-
tacts leads to the second, more general qualification. It
would appear that the effectiveness of Scottish administration,
as measured by such things as coordination within the Develop-
ment Department and liaison between that Department and the
Regional Development Division, is to some extent a product

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[112]
  Ibid. At the same time, Kellas found that movements
between the Scottish Office and Whitehall have affected only
a small proportion of Scotland's higher civil servants. This
has helped to make the Scottish bureaucracy distinct and
knowledgeable of the needs of Scotland.

of the small scale of operations and physical proximity of the Scottish Office rather than inherent in the administrative structure itself. On this assumption the existing administrative arrangements may become increasingly inadequate with growth in the Scottish bureaucracy. However, during the period under study the twin elements of the Development Department and the Regional Development Division, linked and generally supplemented by a network of informal administration, appeared to serve well.

General Conclusions

Generalizing from the foregoing, it would appear that during the 1960s the administrative arrangements for pursuing regional development in Scotland were satisfactory in terms of relations within the Scottish Office and, to a lesser extent, between the Scottish Office and Whitehall, but were inadequate for the desired relations with and among local authorities. In other words, spatial fragmentation rather than functional fragmentation was the main barrier to the pursuit of regional development in Scotland.

Dealing first with Scotland itself, coordination of the Secretary of State's responsibilities relating to regional development has been facilitated by the fact that since 1962 most of these responsibilities have been exercised through

one department, the Scottish Development Department.
Liaison among the four Scottish departments is encouraged
by their membership on the Scottish Economic Planning
Board and through the efforts of the Regional Development
Division who take a broad overview of economic planning
and report directly to the Secretary of State. In addition,
as previously indicated, much of the effectiveness of in-
ternal administration in the Scottish Office is probably
attributable to its small scale of operations and wide-
spread personal contacts.

Turning to relations between the Scottish Office and
Whitehall, the limited information available indicates that
the Scottish Economic Planning Board backed by the Regional
Development Division proved to be a useful mechanism for
keeping relevant Whitehall and Scottish departments aware
of the regional implications of their activities. The com-
bination of the Planning Board, the Regional Development
Division, the Scottish Office and a ministerial team headed
by the Secretary of State gave Scotland certain advantages
over the English regions and these advantages appear to have
been used to good effect in the 1960s.

At the same time it is something of an anomaly that while
Scotland has been in the forefront of regional planning in the
past decade the Scottish Office lacks direct control over many

of the responsibilities essential to the implementation
of a regional plan. This situation is particularly ev-
ident when one considers the Secretary of State's position.
He has become increasingly recognized as Scotland's Minister
and as such is expected to assume a general responsibility
for all aspects of the Scottish economy. However, this
aggrandizement of his role has not been accompanied by a
corresponding transfer of executive powers to the Secretary
of State. As a result he can be (and often is) criticized
about matters over which he has no control. Because a large
proportion of the population are unaware of the limited
powers he does possess, he may well receive no credit for
achievements that have been his doing.

The above considerations suggest that it would be des-
irable to give the Secretary of State greater responsibilit-
ies relating to regional development.[113] While he might exercise
such additional responsibilities in much the same way as
Whitehall presently does, it is reasonable to expect greater
public acceptance of decisions taken in Scotland. Moreover,
a closer correlation between the responsibilities the Secret-
ary of State is expected to assume and the powers he actually
possesses would reduce public confusion and frustration and
make the Secretary of State's position much less vulnerable.

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[113] The Department of Trade and Industry's powers relating
to the steering of industry and the provision of advance fact-
ories are often cited as an example in this context.

Therefore, even if it is accepted that liaison with Whitehall departments was very good during the period under study, Scotland's ability to pursue regional development might well be strengthened by the transfer of further relevant responsibilities to the Scottish Office. This question is examined in Part C of the study.

Finally, in the context of Scottish Office - local authority relations, it is clear that administrative responses such as joint working parties and consultative groups were incapable of overcoming the inadequacies of the existing local government structure and allowing it to make a full contribution to the implementation of regional development. Indeed, research indicated that it was at the local and regional level that the greatest barriers to implementation arose and that the administrative machinery was least adequate. Because of the potential contribution to this problem which a reformed system of local government might make, it was decided to go beyond the main time span of the study and examine the general implications of the Report of the Royal Commission on Local Government in Scotland and the Government White Paper which followed it. This is the purpose of the epilogue which concludes this chapter and Part A of the study.

Epilogue: Implications of Local Government Reform

Reform of the local government system in Scotland received increasing emphasis during the period under study. With their structure basically unchanged since the 1929 Local Government (Scotland) Act, Scottish local authorities became less and less adequate to cope with growing responsibilities. While Scotland was not involved in the work of the Local Government Commissions established under the 1958 Local Government Act,[114] 1963 saw the publication of a White Paper on the modernization of Scottish local government.[115] It suggested a new two tier system, with combinations of existing counties forming top tier regional units responsible for the provision of the planning/transport/traffic group of services, the personal social services and major protective services.[116] To facilitate discussion of the White Paper by the Scottish Office and local authorities, a working party was established. It produced one report[117]

114
Supra., p.60.

115
Scottish Development Department, The Modernization of Local Government in Scotland, Cmnd. 2067, Edinburgh, HMSO, 1963.

116
R. Mair, "The Wheatley Report and the Future of Local Government in Scotland", South Western Review of Public Administration, No. 9, April 1971, p.13.

117
Scottish Development Department, Reorganization of Local Government in Scotland: First Report, Edinburgh, HMSO, 1964.

(in 1964) before being overtaken by the election, the change in Government and the establishment of the Wheatley Commission.

In the meantime, efforts to implement the growth area policy initiated in late 1963 made very clear the limitations of the existing local government system. One senior official in the Scottish Office [118] suggested that the 1963 White Paper on Central Scotland had not fully thought out the administrative implications of adopting a growth area policy and failed to appreciate how serious would be the inadequacy of the existing local government structure and distribution of powers. He further contended that the growing awareness of these difficulties gave added impetus to the movement for reform in the mid-1960s. Therefore the Royal Commission on Local Government in Scotland was set up against a background not only of the Minister of Housing and Local Government's conviction that the concept of economic regions should be reflected in a reorganized local government system [119] but also of Scotland's prior experience with the unsatisfactory performance of local authorities involved in the implementation of regional development programmes. This background is

[118]
    Interview, October 15th, 1968.

[119]
    Supra. p.60.

apparent in the evidence submitted to the Wheatley Commission and in the tenor of its recommendations. It should be noted that the comments which follow are in no way a balanced assessment of the Royal Commission. They are specifically directed to the implications of impending reforms for the pursuit of regional development.

The Wheatley Commission

As often happens, much of the evidence to the Wheatley Commission was in the form of "special pleadings".[120] The government departments and certain professional associations came closer to presenting evidence which related to the objectives of the Commission and their views were, therefore, particularly influential.[121] The main emphasis of their evidence, as outlined below, was that substantially enlarged local authorities were required for the effective discharge of responsibilities, especially planning and associated services.

The Regional Development Division informed the Wheatley Commission that "the present structure does not lend itself to the proper implementation of the economic strategic planning of the country's resources."[122] As an illustration, the

120
    Mair, op. cit., p.15.

121
    Ibid., p.15.

122
    Royal Commission on Local Government in Scotland, Minutes of Evidence 6, Edinburgh, HMSO, 1968, p.5.

Division pointed out that the kind of economic development
they were now undertaking required that there be enough
flexibility to provide houses and other services for a
mobile population within a given area and even for mobil-
ity into that region. They felt that it was very difficult
for local authorities with slender resources in finance and
staff to take this broad view, [123] a contention amply supported
by the experiences outlined above. In a memorandum to the
Wheatley Commission, Regional Development Division set out
the alternatives as they saw them: [124]

> One line of evolution might be for central
> government to continue to carry the main
> responsibility for sub-regional planning,
> with consultative links with local govern-
> ment, and also to undertake more in the way
> of implementation - factory building, new
> towns, house building by S.S.H.A., assisted
> private house building and technical train-
> ing through central institutions. This,
> however, would be only a partial solution
> and would reduce still further local govern-
> ment's part in expanding the economy.........
> A preferable course may be to establish, as
> part of the structure of local government,
> top tier units of sufficient size to cover
> the main economic sub-regions within which
> strategic planning must be carried out and
> implemented.

Ideally, the Division envisaged new regional authorities
which would be "the main instrument for providing the services
that economic growth requires - housing, water, roads and so

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[123] Ibid., p.6

[124] Royal Commission on Local Government in Scotland,
Written Evidence, Volume 7, Edinburgh, HMSO, 1966, p.4.

on - and for designating the major industrial sites,
recreation areas, rehabilitation areas - all the physical
planning objectives."[125]   For this purpose they advocated
eight regional units of government with boundaries essen-
tially the same as those of the eight regions used by the
Scottish Office for regional planning purposes - that is,
the Highlands and Islands, the North East, Tayside, the
South West, the Borders, West Central Scotland, East
Central Scotland and the Falkirk-Stirling area (see Map 2).
The Division acknowledged to the Wheatley Commission that
in defining the proposed regional government units they had
been primarily concerned with the strategic planning aspect
together with any ancillary services that would go with it
and that they had paid little regard to other functions
that local government might have to perform on a greater
scale.[126]

While differing somewhat in detail, the evidence from
the Scottish Development Department and the Board of Trade
also emphasized that the creation of a small number of large
authorities was necessary for the effective discharge of
functions relating to regional development. The Department

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[125]
   Minutes of Evidence 6, op. cit., p.7.

[126]
   Ibid., p.10.

PLANNING REGIONS
BY ADMINISTRATIVE AREAS

Orkney I? Kirkwall

Shetland I? Lerwick 120miles

NORTH-EAST

HIGHLANDS and ISLANDS

TAYSIDE

FALKIRK—STIRLING

EAST-CENTRAL

WEST-CENTRAL

BORDERS

SOUTH-WEST

COUNTY BOUNDARY   ....

CITY BOUNDARY   ————

0   20   40
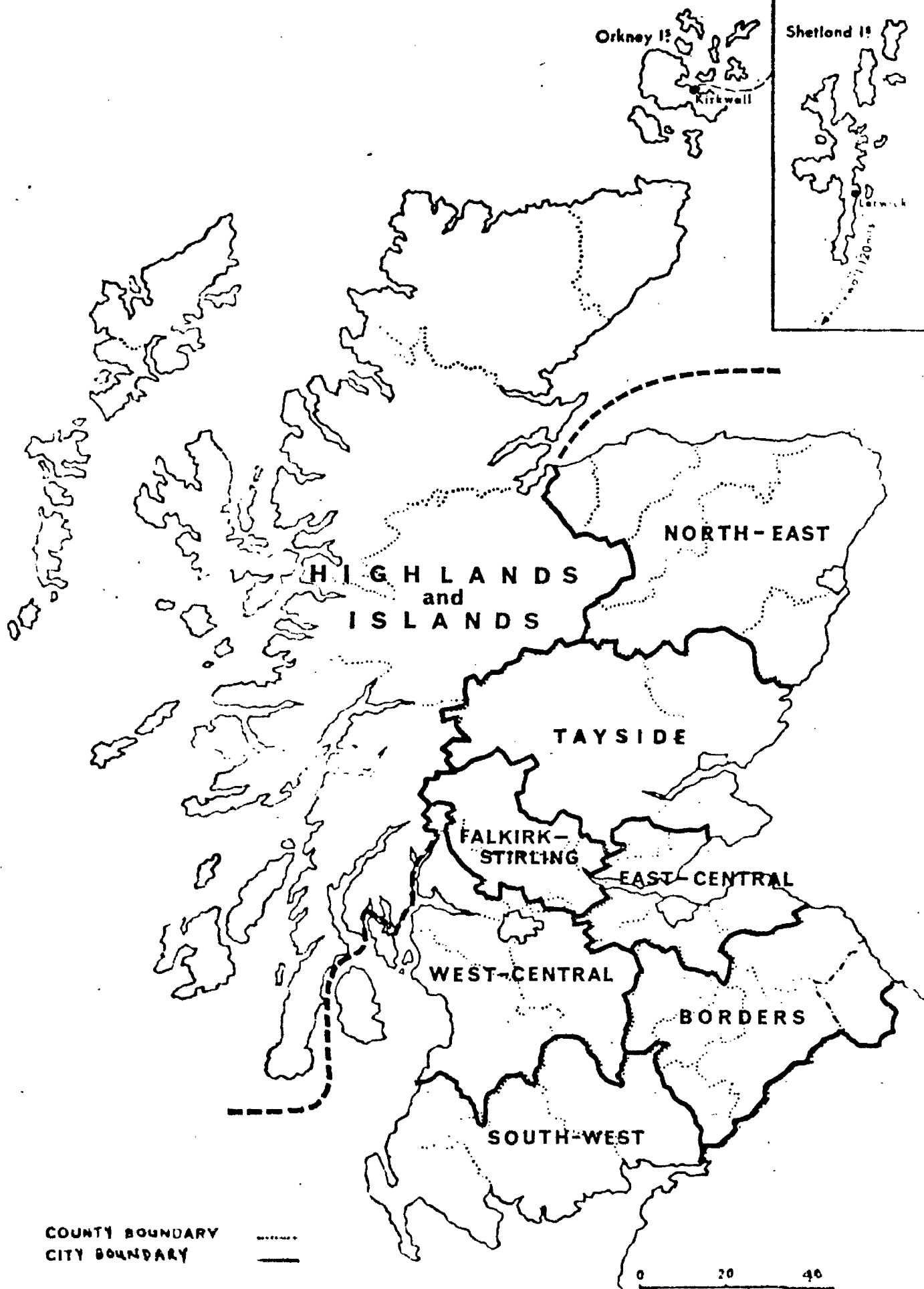
pointed to a number of defects in the existing structure,
"such as poor planning, harmful competition, bad financial
relationship between authorities, inadequate resources for
the discharge of functions and wasteful use of staff,"[127]
and suggested that between eight and ten regional government
units would be appropriate.

The Board of Trade advanced several arguments in favour
of larger local authorities. For example, they noted that:[128]

> Generally the basic necessary services for
> industry are more adequately provided by the
> larger local authorities, who also are appar-
> ently more able to attract and provide for
> better quality specialist staff to deal with
> industrial matters....It seems the case that
> some of the smaller authorities lack sufficient
> resources (particularly of personnel) to ex-
> pand the basic services which industrial devel-
> opment requires.

The Board of Trade also expressed concern about the inability
or unwillingness of local authorities to provide housing for
incoming workers, necessary for mobility of labour.[129] Noting
that all local authorities had the power to provide advance

127
  Ibid., p.27

128
  Written Evidence, Volume 7, op. cit., p.123.

129
  The Scottish Development Department and the Regional
Development Division also emphasized housing, with the latter
asserting (Minutes of Evidence 6, op. cit., p.14) that "housing,
in support of economic growth,... is probably the most impor-
tant single service that we in Scotland can provide."

factories to attract industry, the Board observed that this "commendable self-help" can result in action which cuts across general steering policy and that the creation of larger local government units might minimize this problem.[130]

The influence of this evidence from government departments was reflected in the Royal Commission's approach to the reorganization of the local government structure. They gave particular attention to the needs of planning and associated services (which included industrial development, transportation and roads, water and sewerage, town redevelopment and new towns) and on the relationship between economic and physical planning. In the words of the Report: "Physical planning lacks meaning and purpose unless it has regard to economic objectives. Economic planning is ineffectual unless it is translated into physical terms."[131] This preoccupation led the Commission to conclude that very substantially enlarged units of local government were required. Their concept of what was required bears repeating:[132]

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[130]
Written Evidence, Volume 7, op. cit., p.124

[131]
Wheatley Report, pp.60-1.

[132]
Ibid., p.84

> Big areas are necessary - bigger than any
> present-day local authority, and more in
> the nature of divisions of Scotland than
> of amalgamations of existing authorities.
> The proper scale is not to be thought of
> in terms of attaining a minimum population
> or a minimum area, or of achieving con-
> sistency in size or population as between
> one authority and another. The emphasis
> is rather on identifying the right area -
> the natural region, within which communi-
> cations naturally flow and problems and
> opportunities are inter-related.

Accordingly, the Commission recommended the establishment

of a two tier system in which seven regional authorities -

the Highlands and Islands, the North East, the East, the

South East, the Central Area, the West and the South West

(see Map 3) - would exercise the major responsibilities

including planning and related services, personal social
                                                        133
services, housing and protective services.

After considerable delay because of the June 1970

election and the change in Government a White Paper on
                            134
Local Government Reform   appeared in early 1971. While

accepting the general principles of the Wheatley Report,

the White Paper proposed several modifications including

an increase in the number of lower tier authorities from

133
    For details on the proposed regional authorities
see the Wheatley Report, Chapter 23.

134
    Cmnd.4583, op. cit.

MAP 3

SHETLAND IS

ORKNEY IS

18

CAITHNESS

30

SUTHERLAND

45

ROSS AND CROMARTY

30

80

MORAY

77

AIRN

BANFF

64

ABERDEEN

64

206

INVERNESS

27

KINCARDINE

92

ANGUS

115

PERTH

203

38

53

ARGYLL

FIFE

117

KINROSS

135

CLRMN

77

136

DUNBARTON

STIRLING

89

DUMB

143

WEST

400

EAST LOTHIAN

RENFREW

1186

106

88

MIDLOTHIAN

152

200

163

BERWICK

195

172

LANARK

PEEBLES

97

52

SELKIRK

AYR

ROXBURGH

160

DUMFRIES

115

KIRKCUDBRIGHT

30

WIGTOWN

SCALE OF MILES

35 districts to 49 and an increase in the functions exercised at this level, notably in relation to housing. The number of proposed regional authorities was increased by one to eight with the main change being the creation of a separate regional unit for the Borders (see Map 4). The Government stated that its structural proposals were intended "as a prescription for action and not a basis for negotiation"[135] and indicated that they hoped the new system of local government would be in operation by 1975. The probable impact of the impending reforms on the pursuit of regional development in Scotland is briefly considered below.

Regional Government and Regional Development

At first glance it would seem reasonable to expect the reformed local government to play a major role in the pursuit of regional development in Scotland. Not only was this the assumption underlying much of the evidence submitted to the Royal Commission, but the proposed eight regional government have boundaries very similar to those of the eight planning regions used by the Scottish Office (compare Maps 2 and 4) and they are to exercise the major local government

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[135] Ibid., p.25.

THE GOVERNMENT'S PROPOSALS

REGIONAL BOUNDARY.........
DISTRICT BOUNDARY.........
Existing County Boundary.............
Population figures in thousands........64

ORKNEY IS
17

30 CAITHNESS
S U T H E R L A N D
24
15
6
30
R O S S   A N D   C R O M A R T Y
9
79
68
8
NAIRN   MORAY
47
BANFF
52
9
A B E R D E E N
206
32
KINCARDINE
19
82
A N G U S
38
115
A R G Y L
P E R T H
203
52
F I F E
72
47
KINROSS
138
CLACKM
135
79
DUNBARTON
STIRLING
125
145
81
92
DUN
EAST
107
489
LOTHIAN
RENFREW
201
1170
91
M I D L O T H I A N
201
163
73
16
103
B E R W I C K
75
L A N A R K
13
197
52
PEEBLES
33
150
SELKIRK
34
A Y R
ROXBURGH
D U M F R I E S
23
58
33
KIRKCUDBRIGHT
42
W I G T O W N

REGIONS - POPULATION

Highlands and Islands 197,000
North-East....................437,000
East..........................452,000
South-East....................997,000
Borders.......................96,000
Central.......................264,000
West..........................2,562,000
South-West....................156,000

SCALE OF MILES

responsibilities relating to planning and development. At
the same time, local government's potential role in relation
to regional development should not be over-emphasized. One
aspect of this is the possibility that the Royal Commission's
preoccupation with planning and associated services may have
influenced it to recommend a local government system which
could be less appropriate for some of the traditional local
responsibilities.[136] However, considerations of the overall
balance or perspective of the Royal Commission are not direct-
ly the concern of this study. More to the point is the
possibility that the strong emphasis on local government will
obscure the fact that the central government must still retain
the major responsibilities in relation to regional develop-
ment.

In this connection it is useful to refer to an analysis
recently put forward by Brian Smith.[137] While his comments
relate to the Royal Commission on Local Government in England
and Wales, they are pertinent to the Scottish situation.
Smith takes exception to the assumption of the Royal Commission

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136
    It will be recalled, for example, that the regions
proposed by the Regional Development Division (which the regions
recommended by both the Wheatley Report and the White Paper
closely resemble) were based primarily on the strategic plan-
ning function, with little regard to other functions that local
government would be performing.

137
    B. C. Smith, "The Administration of Regional Economic
Planning and the Reform of Local Government," South Western
Review of Public Administration, No. 9, April 1971.

Report that the creation of large local governments cover-
ing regions or provinces similar in size to the present
economic councils and boards would render the latter bodies
unnecessary. He contends that this view is based on a mis-
conception of the nature of regional planning and as an
illustration he points to the Report's statement that the
solution to economic and physical planning problems at the
provincial level "almost always depends on action which
only local authorities can take."[138] Smith rejects this
view and stresses that regional planning in both its economic
and physical components is primarily the responsibility of
the central government, although he describes physical plan-
ning as involving the central and local government in a
"loosely coordinated partnership."[139]

The deliberations of the Scottish Royal Commission give
some indication of an awareness of the limitations of the role
of local authorities in regional planning. Two exchanges in-
volving the Regional Development Division illustrate this point.
The Commissioners asked the Division whether a regional auth-
ority would have a "fair amount of freedom" to implement an
economic plan within their area and were informed that the
local authorities "would have to work in collaboration with

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[138] Quoted in Smith, op. cit., p.8.

[139] Ibid., p.5.

central government and indeed in given instances there might

be circumstances in which a higher order of decision would

have to come into play about a particular industrial scheme."[140]

The Division representatives were also asked about the possi-

bility of reserve powers for the Government to step in to see

that plans are implemented. They agreed that it would be the

central government's duty to ensure that projects of national

importance were carried out, but pointed out that "default

powers are difficult to bring into play against local govern-

ment."[141]

This problem of enforcing local authority compliance

merits special mention. The preceding pages contain a number

of examples of the apparent weakness of the Scottish Office

in formulating and enforcing development priorities.[142] This

problem would almost certainly be accentuated with the creation

of strong regional units of government. On the one hand,

their creation would facilitate the provision of services

within a region and could lead to some reduction in detailed

---

[140]
    Minutes of Evidence 6, op. cit., p.7.

[141]
    Ibid., p.23

[142]
    For example, the distorted population growth within
the Greater Livingston area and the potentially conflicting
relationship between such rival growth centres as Greater
Livingston and Grangemouth/Falkirk and between these growth
centres and the out county estates of Erskine and Stonehouse.

central supervision and control over local authorities.
Parodoxically, with local government reform it would be even
more important that an overall strategy of regional develop-
ment be formulated and enforced, lest the larger more power-
ful regional authorities by their actions (or inaction)
undermine or distort Scottish Office plans. The fact that
Scotland has been without overall guidelines for regional
development since the 1965 to 1970 Scottish Plan expired
makes this point even more valid.

Summary

The impending reform of local government in Scotland,
especially the proposed establishment of eight regional govern-
ments with boundaries similar to the Scottish Office's plan-
ning regions, should significantly facilitate the implement-
ation of regional development programmes. The benefits to
be gained from a reduction in the number of local authorities
is amply demonstrated by the experiences outlined above. How-
ever, the potential of local government, even with enlarged
upper tier units, should not be over-emphasized. The Scottish
Office and certain Whitehall ministries will remain the decis-
ive bodies in Scotland's regional development. Moreover, the
need for the formulation and enforcement of an overall strategy
of regional development will not only remain but be accentuated.

REGIONAL DEVELOPMENT IN SCOTLAND AND ONTARIO

(A Comparative Analysis of the Pursuit of
Regional Development in Multi-Tiered Administrative Structures)

C. R. Tindal

VOLUME II

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PART B - ONTARIO

CHAPTER VII

FEDERAL CONSTRAINTS ON REGIONAL DEVELOPMENT IN ONTARIO

In the Canadian federal system both the national and
provincial levels of government have broad constitutional
authority in the economic sphere. It is therefore appropriate
to begin this part of the study by briefly outlining the main
federal policies and administrative machinery which have had,
or are most likely to have, a bearing on Ontario's regional
development effort.

First, it should be noted that federal monetary and fiscal
policies directed toward economic stabilization have a significant
regional impact. Indeed, the persistence of marked regional
disparities has made it difficult to apply broad economic
measures without adversely affecting some regions of the
country. Noting the possibilities for conflicts of regional
interest the Economic Council of Canada have stated that "the
impact of a general policy of restraint is likely to be diffused
throughout the national economy, with braking effects not only
on the higher-income regions in which such effects may be most
appropriate, but also on the lower-income regions just as they
appear to be making promising progress toward fuller use of
resources."[1]   Equalization payments and later stabilization

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[1]
Economic Council of Canada, Fifth Annual Review, The
Challenge of Growth and Change, Ottawa, Queen's Printer, 1968,
p.146.

payments have been used by the Federal Government to offset

the substantial differences in the economic conditions of
2
the provinces.

A second major area of Federal involvement arises

from the fact that many activities of the central government,

while not necessarily viewed as regional policies, have an

important effect on the pattern of regional development. Thus,

for example, "The National Harbours Board, the Seaway Authority,

the Canadian National Railways, the Department of Transport in

general, all have an enormous impact on the location, develop-
3
ment and deterioration of urban areas." The siting of a

major airport is obviously of particular significance for

regional development, as a later discussion on developments

in Ontario reveals. The Central Mortgage and Housing Corpor-

ation, established under the 1946 National Housing Act, has

2
For example, under the latest fiscal equalization
formula adopted in 1967, the Federal Government agreed to
equalize to the national average all revenues raised by
the provincial governments. In the fiscal year 1969-70
this involved federal payments totalling $711.7 million
dollars to seven of the provinces, with Quebec receiving
$383.1 million and the four Maritime Provinces $275 million.
Department of Regional Economic Expansion, Salient Features
of Federal Regional Development Policy in Canada, prepared
for the O.E.C.D., 1969, p.B-10.

3
N. H. Lithwick, Urban Canada, Problems and Prospects,
Report prepared for Honourable R. K. Andras, Central Mortgage
& Housing Corporation, 1970, p.206.

played an important role through financial assistance for housing [4] and urban renewal and land assembly activities. The critical point about these types of federal programme is that they have not been designed as specifically regional policies, nor integrated within any broad framework of national goals for regional development.

Finally, and most recently, the Federal Government has introduced, in the 1960s, a number of what might be termed direct regional development policies because they have been especially designed to deal with particular regional problems. It is these regional policies and their potential effect on regional development in Ontario that are of particular interest.

Agricultural Rehabilitation and Development Act (ARDA)

The first major regional policy initiative in the 1960s focused (rather narrowly, as became apparent) on the plight of poor farmers. It was based on the report of a Senate Committee on Land Use appointed in 1959 to suggest more effective utilization of land resourses and in particular, means of increasing agricultural production and the

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[4] According to Lithwick (Ibid, p.206) the Central Mortgage and Housing Corporation helps to build 200,000 homes a year, mostly in urban areas. However, he claims that they do so "with very little by way of evaluation of the urban impact of this major national programme."

income of those engaged in it. The 1961 Agricultural Rehabilitation and Development Act authorized the Federal Government to make agreements with the Provincial Governments (normally on a 50-50 shared cost basis) to implement measures to improve the use of farmland, increase the income, employment opportunities and living standards in rural areas, develop water supplies and conserve and improve cultivated land.

A detailed examination of the operations of ARDA is beyond the scope of this study and is well documented elsewhere.[5] However, two features merit special attention. First, over the past decade, the emphasis of ARDA has been broadened considerably. In the first few years its main thrust was the improvement of the agricultural infrastructure, with soil and water conservation projects and land use and farm adjustment programmes accounting for most of the funds expended. With the growing realization that problems of rural poverty could not be treated in relative isolation, the emphasis of ARDA was broadened in 1966, at which time the title of the legislation was amended to the Agricultural and Rural Development Act. In particular, the new legislation extended to all rural areas, not just rural agricultural

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[5] Notably, Helen Buckley and Eva Tihanyi, Canadian Policies for Rural Adjustment, A Study of the Economic Impact of ARDA, PFRA and MMRA, Special Study No. 7, prepared for the Economic Council of Canada, 1967 and James McCrorie, ARDA: An Experiment in Development Planning, Special Study No. 2, prepared for the Canadian Council on Rural Development, 1969.

areas as had been the case under the 1961 legislation.
While not altering the basic purpose of ARDA, this change
broadened the scope of efforts - to low incomes in all
rural areas, not just low income within a particular rural
industry.

An accompanying 1966 Act, the Fund for Rural Development
(FRED), further indicated the change in the Federal Govern-
ment's emphasis. This Act provided for the establishment
of joint Federal-Provincial comprehensive rural develop-
ment programmes, and provided a fund of $50,000,000 (raised
to $300,000,000 the following year) for the purpose. Selection
of particular areas to be developed under FRED has been based
on a broad range of considerations including levels of income,
unemployment, education levels, and other indicators of
economic difficulties. Moreover, while distress has been
the main criterion, the areas have also been selected "in
the belief that they have potential for improvement".[6] The
FRED plan for northeast New Brunswick[7] illustrates the changed
approach. The desired increase in income levels was to be

[6] T. N. Brewis and Gilles Paquet, "Regional Development
and Planning in Canada: An Exploratory Essay", Canadian Public
Administration, Summer 1968, Vol. XI, No. 2, p.10.

[7] Department of Forestry, Northeast New Brunswick Federal/
Provincial Rural Development Agreement, Ottawa, Queen's Printer,
1966.

achieved primarily by emphasis on education and labour
training programmes. In addition "concentration of the
scattered population in certain specified centres which
offer the most favourable prospects of viable development
is to be encouraged, and social capital is to be expanded
in them."[8]   Thus the revised ARDA/FRED programme as it
evolved not only provided for a more comprehensive approach
to rural development, but also began to concern itself with
the long term growth potential of areas rather than a
quasi-welfare policy of assisting distressed areas regard-
less of their economic potential. At the same time, it
remained seriously limited because of its focus on rural
Canada.

A second distinctive feature of ARDA is that, more
than any other federal policy, it involves substantial
joint federal-provincial participation and its experiences
therefore provide some insight into the implications of
inter-governmental relations in regional development.
Indeed, one study stresses the uniqueness of ARDA in this
respect and suggests that the administrative arrangements
under which ARDA is implemented might serve as a model for
other regional development activities.[9]   Because of this

[8]
   Brewis and Paquet, op. cit., p.141.

[9]
   McCrorie, op. cit. Ch.I.

federal-provincial involvement, the Ontario experience

with ARDA is outlined in some detail later in the study.

Area Development Incentives Programme (ADA)

Beginning in 1963 the other main stream of federal

regional policies began under the Area Development

Incentives Act. Initially administered by an Area Devel-

opment Agency within the federal Department of Industry,

this programme consisted largely of subsidizing capital

investment [10] in new manufacturing establishments or in

the expansion of existing establishments in designated

areas.

The basic geographic unit for defining the desig-

nated area boundaries was the employment exchange area

used by the National Employment Service (now the Canada

Manpower Centre). Within a few months of the ADA

legislation 35 areas were designated for federal

assistance. This was extended to 81 areas in 1965 and

by the end of 1967 the number of such areas had risen

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[10] Until 1965 this subsidy took the form of a three
year exemption from federal income tax, plus special rates
of depreciation for tax purposes on new machinery, equip-
ment and buildings. Following criticisms that tax incen-
tives were of little use to firms in their first years of
operation because profits were likely to be small, the tax
exemption was replaced by a grant of up to one-third of the
capital cost of new machinery, equipment and buildings with
an upper limit of $5 million per project. Economic Council
of Canada, Fifth Annual Review, op.cit., p.166.

to 92. During this period, some designated areas, particularly in Ontario, were dropped from the programme because they could no longer meet the statistical criteria - essentially because their unemployment rate had fallen to a level considered acceptable.[11] The geographic pattern of this program is interesting. By the end of 1967 the five eastern provinces accounted for two-thirds of the total number of designated areas,[12] with Ontario having 12 out of the 92.

In contrast to the ARDA programme with its provision for joint action under formal federal-provincial agreements, the ADA programme was exclusively federal. While there was apparently some consultation with the provinces, notably on the criteria for the designation of areas,[13] the actual designation was strictly a federal responsibility. One of the very few public statements on this subject by the Ontario Government was contained in their presentation at a 1965 Federal-Provincial Conference.[14] In addition to commenting

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[11] While an annual review of designated areas was to some extent logical because of unemployment being the main criterion, it also introduced an element of uncertainty in the programme.

[12] Economic Council of Canada, Fifth Annual Review, op.cit. p.166.

[13] According to Brewis and Paquet, op.cit., p.144.

[14] Government of the Province of Ontario, Statement on the opening of the Federal-Provincial Conference, Ottawa, July 19th, 1965. See especially pp. 18-26.

generally on the respective federal and provincial roles
in regional development, the Ontario Government expressed
particular concern about the federal ADA programme and the
designated areas created under it. They noted that
"specific regional development priorities (in Ontario)
may be upset if the federal government initiates programmes
without prior consultation and agreement with Ontario, the
result of which may have significant effects on Ontario's
regional economic structure."[15] In this connection they
objected to the federal designated areas on the grounds
that "the programme involves regional economic development
within Ontario and yet was developed without the extensive
consultation and consent of the Ontario Government."[16]
Comments from several senior provincial officials indicated
no change in the extent of federal consultation regarding
the ADA programme during the second half of the 1960s.

Unlike the evolving ARDA/FRED emphasis noted above,
the Area Development Programme made no provision for a
comprehensive approach to regional development but was
designed "to encourage development to take place in areas

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[15] Ibid., p.22.

[16] Ibid., p.23.

of chronic and severe unemployment."[17] This orientation

is in some respects understandable inasmuch as the pro-

gramme was developed during a period of high and prolonged

unemployment.[18] However, by the second half of the 1960s

there was growing criticism. For example, the previously

mentioned Statement of the Government of Ontario questioned

the economic rationale of the ADA programme. Labelling

many of the designated areas in Ontario unsuitable, the

Statement observed that firms locating in these areas might

"siphon off economic resources in terms of skilled labour,

entrepreneurship and ancillary services that could make a

larger and more productive contribution to provincial

output were they to locate in other more favourable growth

centres."[19] The Ontario Government also branded the desig-

nated area programme as "primarily a welfare measure."[20]

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[17]
Brewis and Paquet, op.cit.,p.144. The authors are
quite critical of ADA's narrow focus and suggest that it
might more aptly be titled "Industrial Location Agency",
or perhaps even "Misallocation Agency".

[18]
During the severe recession of 1958-1962 unemployment
was never below 10% in the Maritimes, between 7% and 9% in
Quebec, 6% to 8% in British Columbia and over 4% even in
Ontario. Department of Regional Economic Expansion,op.cit.,
Table 11.

[19]
Government of Ontario Statement, op. cit., p.23.

[20]
Ibid., p.23.

By 1968 the Economic Council of Canada had added its
influential voice to the criticism of the ADA programme.
It noted that "the designation of areas has been based on
past recorded economic stagnation rather than future
viability or economic potential."[21]   The Council went on
to state:[22]

> It (the ADA program) assigns little or no
> importance to the long run viability of
> specific industries, nor to inter-area
> "leakages" affecting the potential capacity
> of the designated area to permanently sustain
> a higher level of employment. Furthermore,
> it has favoured a wider dispersal of industry,
> and has ignored the opportunities of achieving
> economies of scale and specialization associ-
> ated with increased concentration of economic
> activity in growth centres.

In response to such criticisms, major policy changes
in 1969 moved the federal government toward a growth centre
approach although, as will be seen, this commitment has not
been made explicit.

The New Federal Policy Emphasis

The election of the present Liberal Government (headed
by Pierre Trudeau) was followed by several policy and admini-
strative changes relating to regional development. In March
1969 the Area Development Agency was transferred to the

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[21]
Economic Council of Canada, Fifth Annual Review,
op.cit., p.168.

[22]
Ibid., p.169.

newly created Department of Regional Economic Expansion (described below). It continued to administer the ADA programme until the end of the year, at which time a new Regional Development Incentives Act (RDIA) came into effect. The general purpose of this new legislation is "to encourage the establishment of new manufacturing and processing facilities in designated regions of high un-employment and slow economic growth".[23] On the basis of capital investment in the operation and the total jobs created, grant payments of up to $12 million are possible.

Under the new legislation the following procedure applies for the designation of regions:[24]

> After consultation with the government of any
> province, a region comprising the whole of
> that province or any portion of it, but not
> less than 5,000 square miles in area, that is
> determined to require special measures to facili-
> tate economic expansion and social adjustment
> may be designated.....Two general guidelines are
> used to select these regions: the existing oppor-
> tunities for productive employment in the region
> are exceptionally inadequate; and the provision
> of development incentives for the establishment
> of new facilities or the expansion or modern-
> ization of existing facilities in the region
> will make a significant contribution to economic
> expansion and social adjustment within the region.

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[23] CCH, Industrial and Research Assistance Programs in Canada, Toronto, CCH Canadian Limited, 1970, p.28. For an analysis of the Regional Development Incentives Act, see Arthur R. A. Scace, "Regional Incentives: An Improvement?", Canadian Tax Journal, January-February 1970, Vol.XVIII, No.1.

[24] Department of Regional Economic Expansion, op.cit., p.B-10.

In August 1969 the following regions were designated,
until July 1st, 1972 - all three Maritime Provinces; all of
Newfoundland except Labrador; all of eastern and northwestern
Quebec and parts of Ontario (a wide swath covering mid-
northern Ontario), Manitoba, Saskatchewan, Alberta and
British Columbia. (See Map 5)

In addition to these designated regions, provision
was also made for the Minister of Regional Economic Expansion
to designate special areas. These special areas may be with-
in a designated region or outside it, and are not subject to
any minimum size stipulation as is the latter. They are areas
which "require special measures to facilitate economic ex-
pansion and social adjustment because of the exceptional
inadequacy of opportunities for productive employment of the
people of that area or of the region of which the area is a
part".[25] While the program of designated regions emphasizes
capital grants for secondary manufacturing, assistance for
the development of infrastructure may be provided in the
special areas. Another contrast is that the latter program
calls for joint federal-provincial action to formulate and
implement development plans for the special areas.

In the spring of 1970 22 special areas were designated
by the Minister of Regional Economic Expansion. All but
seven of these were within regions already designated under
the Regional Development Incentives Act. Of these seven,

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[25] Ibid., p.B-14.

MAP 5
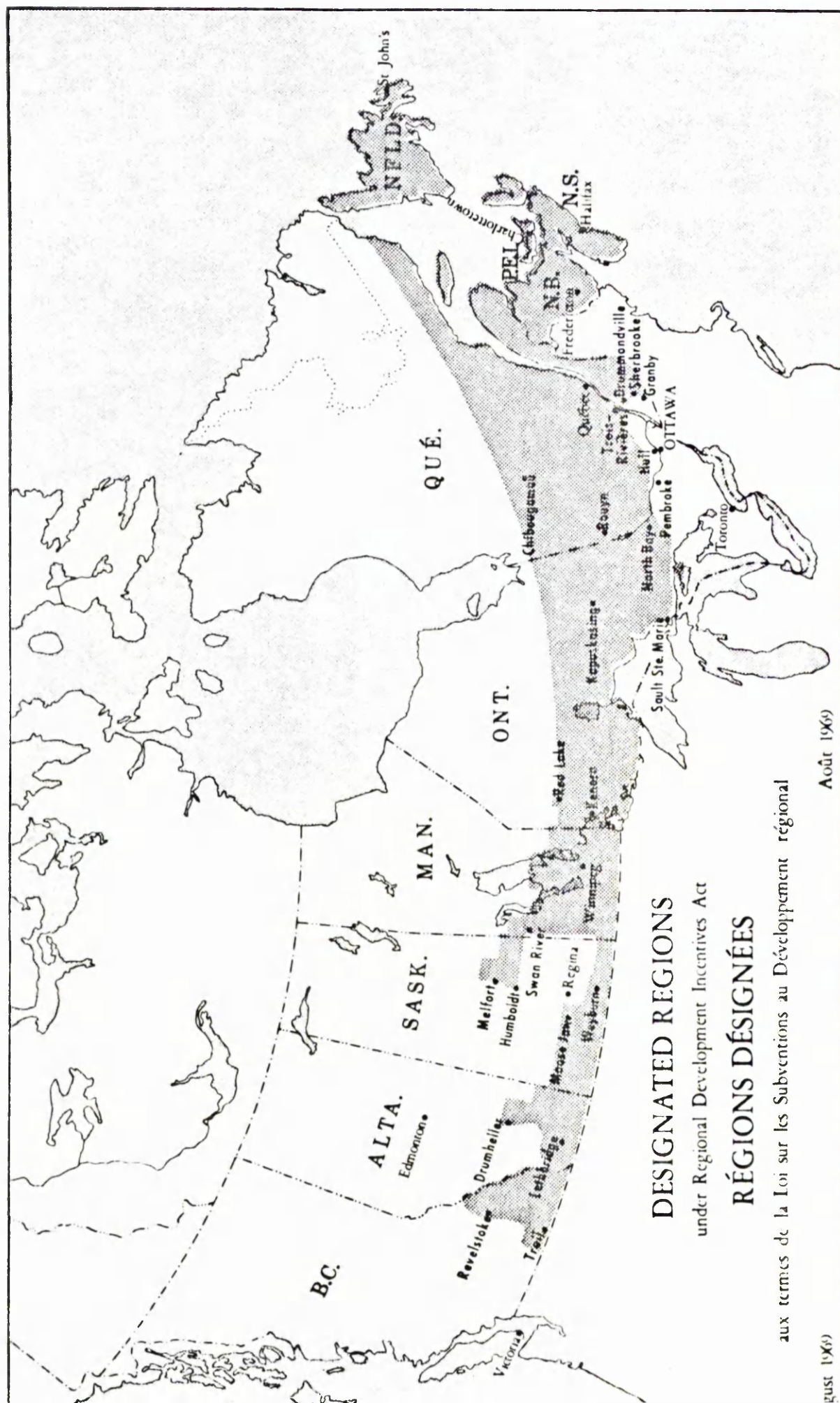
DESIGNATED REGIONS
under Regional Development Incentives Act

RÉGIONS DÉSIGNÉES
aux termes de la Loi sur les Subventions au Développement régional

Août 1969

five were in the Western Provinces, one in Labrador, and
the last was the Renfrew area (including Pembroke, Arnprior,
Bancroft and Barry's Bay) in Ontario. Indicative of the
emphasis of this programme are the special area agreements
signed with Newfoundland and New Brunswick in April 1970,
which provide for 100% federal financing of a wide range
of infrastructure projects.[26] A similar federal-provincial
agreement was signed with Quebec in June, 1970 covering
infrastructural development in three special areas of the
province.

These new regional policies appear to have brought
a considerable change in emphasis. In place of the increas-
ingly criticized ADA programme which subsidized industrial
development in "pockets" of high unemployment, the federal
approach now involves relatively large regions and, in its
special areas programme, emphasizes development of the
infrastructure rather than, or in addition to, the subsid-
ization of industrial expansion.

Moreover, according to the Department of Regional

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[26] "The federal funds committed for the 1968-69 fiscal
year for Newfoundland are $41.2 million, of which $31
million is for grants and $10.2 million in loans. In the
case of New Brunswick the total of funds committed is $32.5
million, of which $22.7 is in grants and $9.8 million in
loans." CCH, op.cit., p.29.

Economic Expansion (DREE), the broader focus of the new

policies makes possible a growth centre[27] approach to

regional development. The clearest exposition of this

approach that could be found is in the following state-

ments from the Department:[28]

> The goal of policy is to disperse economic
> growth widely enough across Canada to bring
> employment and earnings opportunities in the
> slow-growth regions as close as possible to
> those in the rest of the country without
> generating an unacceptable reduction in the
> rate of national economic growth. This does
> not, however, mean that there will be more
> jobs in every county and a new industrial
> plant at every crossroads. Some mobility is
> essential to economic efficiency. Therefore,
> the objective of regional policy is to facil-
> itate the generation of new opportunities for
> employment and income at some points in all
> regions so that economic growth takes place
> mostly by movement and change within each
> region rather than massive attrition of whole
> regions....The approach is one of developing
> urban-metropolitan growth centres characterized
> by industrial agglomeration, and smaller
> industrial centres where a high level of private
> investment can be stimulated with the aid of
> special programs.

Quite apart from the new emphasis in regional policies,

the creation of the Department of Regional Economic Expansion

is, in itself, a significant development. This change together

with the more recent establishment of the Ministry of Housing

and Urban Affairs are briefly examined below.

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[27] This term was not related to any specific theoretical
meaning but was used in a general sense by the Government.

[28] Department of Regional Economic Expansion, op.cit.,
pp. B-7 and B-10.

The New Federal Administrative Machinery

As regional development received increasing attention
in the 1960s the fragmentation of federal responsibilities
and the lack of overall guidelines provoked growing
criticism. Thus, as one study described the situation,
"What we have in Canada is a combination of miscellaneous
goals defined by a number of agencies informally working
in a somewhat complementary way but with an almost non-
existent unifying and overall direction....There are no
government-backed national objectives into which regional
growth or development objectives would be fitted."[29]

Much the same point is made in the following quotation:[30]

> The approach to the problems of regional
> disparity.....has been to deal with them
> on an ad hoc basis in response to the
> strongest needs and pressures of the time.
> This led to the establishment of a variety
> of programs administered by different
> agencies, each responsible for a specific
> aspect of the problem and each reporting
> to a different minister. The result was
> that effective program coordination on an
> overall basis was difficult to achieve; a
> certain degree of overlap, duplication, and
> wasteful effort was inevitable.

The Economic Council of Canada was also critical of
the fragmentation of federal responsibilities relating to
regional development. In their Fifth Annual Review, the

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[29] Brewis and Paquet, op. cit., p.135.

[30] Department of Regional Economic Expansion, op. cit.,
p. B-6.

Council noted "the multiplicity of federal agencies and development programs at work"[31], with little evidence of coordination of their activities. Discussing Federal efforts in the Atlantic Provinces, the Council stated that "nowhere in the federal government structure is there a central focus, not merely to avoid duplication, inconsistency and contradiction of programming, but also to assure the allocation of scarce federal funds to secure maximum benefits for the region and the country as a whole."[32] They called for "the creation of an effective central review and appraisal system to assurecoordination in programming among all federal departments and agencies."[33] By bringing together under one jurisdiction the main agencies and programmes relating to regional development, the new Department of Regional Economic Expansion appears to be a response to the criticisms noted.

Department of Regional Economic Expansion

As previously noted, the Area Development Agency was transferred to the new department, although the ADA programme was subsequently phased out in favour of the Regional Development Incentives Act. A Rural Development Branch which had

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[31] Economic Council of Canada, Fifth Annual Review, op.cit., p.176.

[32] Ibid., p.176.

[33] Ibid., p.180.

been under the Department of Forestry and Rural Development[34]
was transferred to DREE with responsibility for both ARDA
and FRED.[35] A number of other economic development pro-
grammes were transferred to the new department and several
pertinent federal agencies were directed to report through
the Minister of Regional Economic Expansion.

These agencies included an Atlantic Development Council
charged with advising the Minister "on the whole range of
programmes and policies for the encouragement of economic
expansion and social adjustment in the four Atlantic
Provinces."[36] The Council replaced an Atlantic Development
Board, established in 1962 with a $100 million development
fund, to suggest measures and projects for the economic
growth of the Atlantic region of Canada.[37]

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[34]
      In July 1968 this Department had been made responsible
for developing a coordinated approach to the problems of
economically disadvantaged regions.

[35]
      In March 1970 FRED was discontinued. However, some
$450 million will be spent over the 1970-1980 period in four
areas where federal-provincial programmes have been approved.

[36]
      CCH op.cit., p.36.

[37]
      While the activities of the Atlantic Development Board
obviously had no bearing on Ontario, the concept of a special
agency to deal with one geographic area of a country brings
to mind the Highlands and Islands Development Board described
in PART A.

Along with this concentration of responsibilities,
"it is also the intention of the Department to undertake
an extensive review of other existing programmes, in order
to fit them fully into a coordinated programme of regional
development in Canada."[38]

No analysis of the effectiveness of DREE and its new
policies has been attempted. The significant factor for
this study is the impact in Ontario and early indications
are that it has been, and will probably continue to be,
minimal. Since one of the main goals of the department is
to improve employment and earnings opportunities in the
slow growth regions, it is not surprising that efforts have
been concentrated on eastern Quebec and the four Atlantic
Provinces. Unlike the previously noted examples of
Newfoundland, New Brunswick and Quebec, no special area
agreement has been signed with Ontario concerning the Renfrew-
Pembroke area, although provision has been made for DREE to
offer financial assistance to "wood-based industries" in
the special area.[39] A paper by the Ontario Government concludes
that whatever the overall impact of DREE, "certainly the

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[38] CCH, op. cit., p.36

[39] Correspondence from DREE, dated January 17th, 1972.

activities of the Regional Development Branch (of the

Ontario Government) in the highly urbanized fast-growing

regions of Southern Ontario will not be affected."[40]

Ministry of Housing and Urban Affairs

Another major organizational change which may have

more relevance for Ontario's regional development efforts

is the 1971 establishment of a Ministry of Housing and

Urban Affairs and the Federal Government's growing commit-

ment to the elaboration of an urban policy. As previously

noted, many federal activities have a significant impact

on the extent and pattern of urban development. This fact

plus the increased demands on government associated with

urbanization led, in recent years, to growing demands that

the Federal Government accept more responsibility for urban

services, notably transportation. However, the distribution

of powers under the British North America Act, and in

particular the fact that local government is exclusively

a provincial responsibility, traditionally inhibited greater

Federal Government involvement in urban affairs.[41]

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[40]
Regional Development Branch, "The Regional Development Programme, the Department of Regional Economic Expansion, ARDA and the Canada Land Inventory", April 8th, 1969, p.11

[41]
Another view, perhaps more cynical, is that the Federal Government evaded greater financial responsibility through a strict, literal interpretation of the constitution.

December 1967 saw a Federal-Provincial Conference on
Housing and Urban Development and this was followed by a
conference of civil servants in April 1968 at which the
Federal Government outlined a number of specific shared-
cost programme proposals. Within a few months a Federal
Task Force on Housing and Urban Development was appointed
[42]
and its January 1969 Report called for a greatly expanded
federal role. Headed by the then Minister of Transport,
the Honourable Paul Hellyer, the Task Force did not
hesitate to make a number of recommendations involving
matters within the jurisdiction of the provincial and
[43]
municipal governments.

Thus, for example, the Task Force recommended that
the federal government make direct loans to municipalities
to assist them in assembling and servicing land for urban
growth, acquiring dispersed existing housing for use by
[44]
low-income groups, and developing urban transit systems.
Noting that urban planning must be undertaken on a regional
basis to be effective the Report called on the provinces

[42]
Task Force on Housing and Urban Development, Report,
Ottawa, Queen's Printer, 1969.

[43]
Several of these recommendations appeared to incor-
porate proposals which had been made by federal officials at
the above-noted April 1968 conference of federal and provincial
civil servants.

[44]
Task Force on Housing, op.cit., pp.43,57 and 64.

to establish a system of regional governments for each
major area.[45]   In addition, it was recommended that the
Federal Government establish a Department of Housing and
Urban Affairs.   The Task Force envisaged that the Central
Mortgage and Housing Corporation would retain its role as
administrator and implementator of federal housing policy,
while the new department would concentrate on advising on
policy and coordinating research activities, at least at
the federal level and possibly with other governments and
agencies as well.[46]   However, the Federal Cabinet was
apparently not yet ready to accept such an enlarged role
and within a few months Mr. Hellyer resigned as Minister
of Transport, expressing dissatisfaction with the lack of
Government action on housing and urban questions generally.

Ironically, within a year Mr. Hellyer's successor,
Robert Andras, was designated Minister of State for Housing
and Urban Affairs and the establishment of a Ministry of
Housing and Urban Affairs was announced.   As recommended by
the Task Force Report, the new body is not a traditional
operating department but will concentrate on policy develop-
ment and on coordinating the projects of other departments.

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[45] Ibid., p.63.

[46] Ibid., pp. 72-3.

Plans call for a staff of some 200 planners, economists, sociologists and other experts.[47] Even before the new Ministry was set up several research papers and a published Report[48] outlined an expanded federal role in urban matters.

Of particular interest for this study is the growing emphasis on not only improved coordination at the federal level, but also greatly increased consultation and coordination among all three levels of government in dealing with the challenges of urbanization. The above-noted Report prepared for the Minister of Housing and Urban Affairs called for "a new kind of vertical integration within the hierarchy of government".[49] To foster a more coordinated approach the Report recommended the establishment of a National Urban Council[50] which would include representatives from all three levels of government. Because of "strong regional differences and the unique role of the provinces",[51]

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[47] *Brockville Recorder and Times*, Article by Anthony Westell, March 15th, 1971.

[48] Lithwick, op. cit.

[49] Ibid., p.178.

[50] Ibid., pp.215-216.

[51] Ibid., p.215

the Report also proposed regional councils consisting of
local federal officials, provincial authorities and
municipal representatives which would develop regional
plans which would be integrated within national objectives
by the National Urban Council.

However, it is still too early to assess the effect-
iveness of the new Ministry. A number of meetings, notably
one called by the Minister of Housing and Urban Affairs in
April 1971, have apparently made little progress toward
the establishment of the National Urban Council. This is,
of course, a delicate issue because of the provinces'
constitutional responsibility for municipalities. At the
same time the Ministry of Housing and Urban Affairs'
relations with other federal departments is also uncertain.
While its terms of reference implied an overall coordinating
role, the new Ministry has been given no formal authority to
achieve such coordination. In the absence of specific
executive powers it seems unlikely that the Ministry will
prevail over such departments as Transport and Regional
Economic Expansion especially since they are headed, at
present, by two of the most senior and influential members
of the Cabinet.[52] Symptomatic of this problem is the recent

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[52] Most political analysts consider John Marchand,
Minister of Regional Economic Expansion, a key member of the
inner circle whose advice the Prime Minister particularly
seeks and respects.

resignation of N. H. Lithwick as Assistant Secretary of the Urban Affairs Secretariat of Housing and Urban Affairs. He expressed extreme frustration with the resistance to implementation of new policies. "It just can't be done with the existing civil service structure."[53]

Summary

While many activities of the Federal Government have a significant effect on the pattern of economic development, only in the past decade has it adopted specific regional development policies.[54] For much of the 1960s these regional policies were essentially ad hoc responses to particular problems, and were neither sufficiently broad in scope nor adequately integrated within any overall framework of national goals for regional development. Thus the ARDA program, even after amendments in 1966 and the broadened approach under FRED, remained preoccupied with rural poverty. The ADA program was in some ways even more

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[53] Quoted in Globe and Mail, December 16th, 1971

[54] This statement excludes such special policies as equalization payments which clearly have a significant regional impact but have not been considered as regional development policies in the context of this study.

limited because of its focus on relatively small areas of high unemployment. Gradually, the concept of concentrating efforts on areas with long term growth potential has gained acceptance. The programme of designated regions and special areas adopted at the end of the 1960s appears to have incorporated this approach and provides a welcome departure from the narrow, quasi-welfare emphasis of much of the regional development effort in the 1960s.

A second encouraging change at the end of the 1960s was the reorganization and consolidation of relevant responsibilities. Thus the concentration of various agencies and programmes relating to regional development under DREE offers the prospect of increased coordination of federal activities and the formulation of overall goals for regional development. Care should be taken, however, that DREE's preoccupation with Eastern Canada - however logical or understandable - does not divert it from formulating a balanced set of development goals extending to all areas of Canada. The relationship between DREE and the Ministry of Housing and Urban Affairs also appears to need clarification.

Turning to the more specific question of the relevance of the Federal Government's activities for regional development in Ontario, the following comments can be made. With the notable exception of ARDA (discussed below), federal

regional development efforts in the 1960s were largely
unilateral. Moreover, federal policies have focused
mainly on the economically disadvantaged regions, in
particular the Maritimes and Quebec, and have thus
directly affected Ontario to only a very limited extent.
Since Ontario's economic problems are largely associated
with rapid growth and extensive urbanization the Federal
Government's new interest in urban policy and the creation
of the Ministry of Housing and Urban Affairs may lead to
closer federal-provincial involvement. However, this
pre-supposes that the new Ministry is able to establish
its own position within the federal government.

REGIONAL DEVELOPMENT IN ONTARIO: POLICY AND ADMINISTRATIVE FRAMEWORK

The adoption of a regional development programme in Ontarion in 1966[1] was characterized by the establishment of extensive administrative machinery and the launching of an elaborate regional planning exercise. The pre-occupation with administrative changes rather than new regional policies may be partly explained by the fact that the Ontario Government already possessed very substantial powers relating to economic development. Therefore devising administrative machinery to coordinate the existing programmes of departments and agencies, not adding new programmes, was seen as the main requirement. With this in mind, a description of the main Provincial bodies with responsibilities relating to regional development should provide a useful background to consideration of the administrative changes mentioned. This is followed by a general outline of the role of local government in the regional development process. While the Ontario Government, at least at the outset, did not appear to give much emphasis to the significance of municipal activities

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[1]
The Ontario Government's first public commitment to regional development was a Prime Ministerial statement. Prime Minister of Ontario, Design for Development, Statement on Regional Development Policy, April 5th, 1966.

(a point returned to below), they are especially important
in the implementation stage of a regional development
programme. For this reason, municipalities merit inclusion
in a discussion of administrative framework.

The Provincial Level

The description of Provincial Departments and Agencies
which follows is quite brief and general. While a number of
changes appear imminent,[2] the structure is described as it
was during the main time period of the study, from the mid-
1960s to the provincial election of October 1971.

Department of Treasury and Economics

With responsibility for both economic planning and
regional development in addition to its traditional budget-
ing function, Treasury and Economics is clearly the depart-
ment whose activities most significantly affect the pursuit
of regional development in Ontario. However, this consol-
idation of responsibilities was not completed until 1968,
and it is interesting to review briefly the prior location
of the economic planning and regional development responsi-
bilities.

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[2]
Committee on Government Productivity, Interim Report
Number Three, December 1971, recommends a number of changes
involving departmental reorganizations, the creation of
three "policy" Ministers freed of normal departmental
responsibilities and new Cabinet Committees. However, with
minor exceptions noted below, the implications of these
proposed changes are not considered in this study.

Responsibility for economic planning was first
vested in the Department of Planning and Development
established in 1944. The new department was given the
responsibility of collaborating with other departments
and with other governmental and private bodies with a
view to formulating plans to create, assist, develop
and maintain productive employment and to develop the
human and material resources of Ontario.[3] Within a short
time the department was also assigned responsibility for
fostering and, to a limited extent, supervising planning
activities at the municipal level.[4]

However, the Department of Planning and Development
failed to achieve the coordination of programmes called
for in its terms of reference. In early 1961 it was
renamed the Department of Commerce and Development and
within a few months it was amalgamated with the Department

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[3]
Committee on the Organization of Government in
Ontario, Report, Ontario, Queen's Printer, 1959, p.40
(Hereafter the Gordon Committee).

[4]
These physical planning responsibilities were
shared with the Ontario Municipal Board and the Ontario
Department of Municipal Affairs described below.

of Economics and Federal and Provincial Relations[5] to
form the Department of Economics and Development. It
should be noted that the coordinating functions originally
charged to the Department of Planning and Development
survived the two reorganizations and formed part of the
terms of reference of the Department of Economics and
Development.

January 1st, 1965 saw a major reorganization in the
Department of Economics and Development, with the creation
of the Office of the Chief Economist. This, much more
than previous initiatives marked the real beginning of
a commitment to economic planning in Ontario. The declared
purpose of the reorganization was to draw together, in a
single focus once more, the various elements required to
create a centralized economics and statistics service."[6]
Specifically, the Office of the Chief Economist was assigned

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[5]
Renamed only a few months before the amalgamation in
recognition of the important responsibility for inter-
governmental relations which had grown within the Department,
this was in fact the Department of Economics established in
1956. At that time it had been described by the Provincial
Treasurer as "a department, the particular function of which
is to look at the problems of the government as a whole,
from an economic point of view, in a comprehensive way,
rather than from the viewpoint of one department." Department
of Treasury and Economics, Ontario Economic Review, April
1966, Vol. 4, No. 4, p.5).

[6]
Ontario Economic Review, April 1966, op. cit., p.5.

the following responsibilities:[7]

    (i) to act as senior economic adviser to the
government on economic policy matters;

    (ii) to direct the central economic research
and statistical operation;

    (iii) to coordinate economic research and policy
among the various provincial agencies;

    (iv) to direct research and coordinate activities
in the area of federal-provincial relations;

    (v) to administer the Ontario Statistics Act.

As part of the reorganization which followed the
creation of this new office, a Regional Development Branch
was established. In fact, since the mid-1950s there had
been a Regional Development Section within what later
became the Trade and Industry Branch of the Department of
Economics and Development. However, neither the Section
nor the evolving Regional Development Branch had, at that
time, specific written terms of reference or responsi-
bilities in relation to the preparation of regional
development plans. During this period they were concerned
with the Regional Development Associations (described below)
being established throughout the Province. As will be seen,
the role of both the Regional Development Associations and
the Regional Development Branch changed significantly
following the above-mentioned statement on Design for
Development.

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[7] _Ibid._, p.5.

Another major reorganization at the end of 1967

saw the Office of the Chief Economist, including the

Regional Development Branch, shift to the Treasury

Department. July 1968 consolidated this change in the

form of a new Department of Treasury and Economics, with

the Chief Economist becoming the Deputy Provincial

Treasurer and Deputy Minister of Economics. At the same

time, tax collection and tax administration functions

became the responsibility of a new Department of Revenue.

One of the most significant aspects of this change

was the combination of the treasury and economics functions,

which have traditionally been regarded as rather incom-

patible. [8] The new departmental structure reflected the

view that "the budget is an instrument of economic policy

and the expenditure programme should be directed at the

economic and social development of the province." [9] It

also provided a better framework for the Government's by-

then declared intention of guiding regional growth through

the direction of public expenditures. Moreover, as will be

seen, the shift of the Regional Development Branch from the

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[8]
Interestingly, the Deputy Minister of the new depart-
ment cited the British experience with the Department of
Economic Affairs as an example of the traditional approach.
Department of Treasury and Economics, Ontario Economic Review,
March/April 1969, Vol. 7, No. 2, p.2.

[9]
Ibid., p.2.

Department of Economics and Development to the reorganized
Department of Treasury and Economics strengthened the
bargaining position of the Branch in its efforts to
coordinate the activities of other Government departments
in relation to regional development.

Thus by 1968 Treasury and Economics had clearly
emerged as the key department in the regional development
programme. However, the Ontario Municipal Board and the
Department of Municipal Affairs were also very important
because of their responsibilities in relation to physical
planning and the activities of municipalities.

The Ontario Municipal Board and the Department of Municipal Affairs

The Ontario Municipal Board was established in 1906
as the Railway and Municipal Board. In its early years it
was largely concerned with regulating the operations of
street railways and local telephone systems. Under the
impact of the depression the Board's powers were greatly
increased in 1932 at which time it was renamed the Ontario
Municipal Board. Most important among its new responsi-
bilities were the approval of all debenture by-laws and
the supervision in certain circumstances of the affairs
of defaulting municipalities.

A further response to the problems created by the
depression was the establishment in 1934 of a Department

of Municipal Affairs. To it was transferred the functions of the former Bureau of Municipal Statistics[10] along with the supervision of defaulting municipalities. In general terms, the Department's duties included a general oversight of municipal affairs, standardizing municipal accounting, compiling statistical information, conducting special investigations and assisting municipalities with advice.[11]

The responsibility for physical planning is of particular interest. In the 1940s and 1950s this responsibility was divided among the Department of Municipal Affairs, the Ontario Municipal Board and the Department of Planning and Development. Thus, for example, while official plans and amendments required the approval of the Minister of Planning and Development, he could (and if requested had to) refer them for approval to the Ontario Municipal Board. As a result, there were increasing charges that "this division of jurisdiction is held to be harmful to municipal efforts in planning, to cause injustices and to contribute to

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[10] Established in 1917 to supervise the accounting of municipally controlled utilities and act as a research agency, the Bureau had been placed under the jurisdiction of the Ontario Municipal Board in 1932.

[11] K. G. Crawford, Canadian Municipal Government, University of Toronto Press, 1954, p.347.

uncoordinated development."[12]

Much the same remark was made by the Gordon Committee
in their comprehensive study of the organization of the
Ontario Government in the late 1950s. In their view,
"the logical course to be followed in the circumstances
is to make the Department of Municipal Affairs primarily
responsible for all important questions in the municipal
field."[13] As they recommended, the Community Planning
Branch of the Department of Planning and Development was
transferred to the Department of Municipal Affairs in 1961.

At the time there was a certain logic to this re-
organization. However, responsibility for physical planning
remained divided between the Department of Municipal Affairs
and the Ontario Municipal Board. Thus, while official plans
and amendments require the approval of the Minister of
Municipal Affairs he may (and if requested shall) refer
them for approval to the Ontario Municipal Board. A
similar procedure applies to the approval of subdivision
plans. Zoning by-laws which, in effect, implement the
planning policy set down in an official plan, require the

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[12]
   Submission by the Central Ontario Chapter of the
Town Planning Institute of Canada, quoted in the Gordon
Committee, op. cit., p.43.

[13]
   Gordon Committee, op. cit., p.42.

approval of the Ontario Municipal Board. In addition, the Board's responsibilities in connection with annexations and amalgamations clearly affect physical planning. Moreover, it became increasingly apparent that the attempt to consolidate physical planning responsibilities was at the expense of completing severing them from the responsibility for economic planning, since mid-1968 in the Department of Treasury and Economics.

Another activity of the Department of Municipal Affairs which merits mention is their programme of local government reform which has involved the establishment of enlarged upper tier "regional governments" in several areas of the province. Because of the potential importance of this new level of government in the implementation of regional development programmes, this facet of the Department's activities is assessed at some length later in the study.

Other Provincial Departments and Agencies

A number of other provincial departments and agencies also exercise responsibilities affecting regional economic development. A brief examination of these bodies provides some insight into the relevance of their activities during the early years of the regional development programme and on this basis the adequacy of the coordinating machinery established by the Ontario Government in Design for Development can be better assessed.

- Department of Highways (Transportation and Communications) -

One of the largest departments in the Ontario Government, in both expenditures and manpower, the Department of Highways (since the spring of 1971 combined with the Department of Transport to form the Department of Transportation and Communications) is responsible for the planning, construction and maintenance of all Queen's Highways and secondary highways throughout the Province, and for the enforcement of relevant statutes and regulations. In addition to the obvious effect of the provision of highways on the pattern of settlement, the Department is also important because of its relations with municipalities. It provides grants and exercises substantial controls over municipal road construction and maintenance.

With the establishment of a Planning Branch in 1965, the Highways Department became increasingly concerned with long term highway planning based on traffic and economic studies. Central to this are the Area Traffic Planning Studies which have been underway in the 19 Traffic Planning Areas of the Province since 1962. Concerned with highway trends over the next twenty years, these studies form the basis of general highway planning and also provide guidelines for Urban Transportation Studies concerned with traffic movement within urban centres. Of particular significance

has been the Department's major involvement in the
Metropolitan Toronto and Region Transportation Study
(MTARTS) on which the Toronto-Centred Region Plan,
discussed below, is based.

- Department of Trade and Development -

As previously outlined, the Department of Economics
and Development was renamed Trade and Development in 1968,
after most of its responsibility in economics (consolidated
under The Office of Chief Economist three years earlier)
was transferred to the new Department of Treasury and
Economics. The primary responsibility of the Department
now is the promotion of trade and industrial expansion in
the Province. Three agencies which report through the
Minister of Trade and Development - the Ontario Development
Corporation, the Ontario Housing Corporation, and the
Ontario Economic Council - also have (at least potentially)
a significant role to play in a regional development program.

The Trade and Industry Division of the Department offers
a wide variety of services to business firms located or
interested in locating in the Province. Of particular
interest is the Plant Location Section of this Division
which is charged with the responsibility of attracting new
manufacturing industries to the Province, and also provides
a consultative service for Ontario industries considering

expansion. In this connection information is supplied on
such factors as markets, raw materials, labour supply and
wage rates. While the declared policy of the Department
is that "counselling by government officials is conducted
on a strictly objective basis with each community receiving
fair consideration"[14], it is apparent that the activities of
the Plant Location Section, and the Trade and Industry
Division of which it forms part, could have a considerable
bearing on the pattern of development. Reinforcing the
influence of this Division is its relationship with the
Ontario Development Corporation (described below). In
addition to sitting on the Review Committee which determines
the eligibility of municipalities for Ontario Development
Corporation financial assistance to industries, represent-
atives of the Trade and Industry Division often refer firms
interested in locating in particular areas of Ontario to
the Corporation.[15] It should also be noted that the Trade
and Industry Division have established close contact with
municipalities throughout the province and, upon request,
assist them in establishing and carrying out industrial

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[14]
Department of Tourism and Information, Directory and
Guide to the services of the Government of Ontario, 1967,
p. 139.

[15]
Interview, October 15th, 1970.

promotion programmes. To this end, the Division has
compiled extensive factual information about municipalities
and provides, for example, free appraisal of vacant land
for the purpose of locating industrial plants.

- Ontario Development Corporation -

The Ontario Development Corporation was established in
1966 as one of several institutional changes ushered in by
the Government's policy statement Design for Development.
It superseded the Ontario Development Agency which had
provided management advice and guaranteed loans for working
capital to small businesses. The general objectives of the
Corporation are:[16]

> to encourage and assist in the development
> and diversification of industry in Ontario,
> including...the provision of financial assist-
> ance by loan, guarantee or purchase of shares
> or other securities; and the provision of
> technical, business and financial information,
> advice, training and guidance....

The Equalization of Industrial Opportunity (EIO)
Programme of the Corporation provides forgivable loans for
industries (mostly secondary manufacturing, with some
tourism) locating in certain designated municipalities of
the province. The level of unemployment appears to be the
main criterion determining the eligibility of municipalities,

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[16] Statutes of Ontario, 1966, c.100, An Act to Incorporate
the Ontario Development Corporation, s.7.

although other factors such as per capita income compared
to the provincial average, history of plant location in
recent years, availability of suitable facilities, trans-
portation and labour, and municipal debt structure are also
considered.[17] Within designated municipalities, forgivable
loans are available for the construction of a new plant and
also the installation of machinery provided that at least
75% of it is new. An expansion of 5,000 square feet or 10%
of present floor area, whichever is greater, also qualifies
for a forgivable loan. The maximum loan available is
$500,000 in Northern Ontario and Eastern Ontario, and $100,000
elsewhere in the Province.

In addition, in certain slow growth areas (essentially
Northern and Eastern Ontario) the Ontario Development Cor-
poration may provide building space (for manufacturing)
through lease-back or rental arrangements. The Corporation
also had the authority to construct buildings to meet the
requirements of the applicant. While this authority to provide
"advance factories" has apparently not yet been used,[18] the
Corporation's activities clearly influence the pattern of
industrial development. In fact, as described below, the

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[17] Interview, October 15th, 1970.

[18] Ibid.

evolution of the regional development programme with its emphasis on growth points has led to increasing concern about the compatability of the EIO focus on high unemployment areas.

- The Ontario Housing Corporation -

Established in 1964, the Ontario Housing Corporation is empowered to construct or acquire housing for rental or for sale, develop land for housing purposes and make loans or guarantee loans for the construction of a building development.[19] To finance these activities the Housing Corporation borrows 90% of the capital costs from Central Mortgage and Housing Corporation, and the Ontario Government provides the remaining 10%. The major responsibility of the local government is that it must initiate the development by a request to the Ontario Housing Corporation.

The Corporation's authority for building houses is likely to become an increasingly useful weapon in reinforcing desired patterns of industrial development. Moreover, the extensive acquisitions of land made by the Ontario Housing Corporation suggest the need to coordinate its activities with any overall plan for regional development.

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[19] 1967 Ontario Government Directory, op. cit., pp.135-6.

- The Ontario Economic Council -

The Ontario Economic Council was established in 1962 as an "idea factory" where provincial economic problems could be investigated, analyzed and discussed. The members of the Council are appointed to represent a cross-section of Ontario viewpoints, including business and industry, organized labour, agriculture, universities and government. Through reports and recommendations, many of which are published, the Council provides advice on economic matters to the Ontario Government.

- Department of Energy and Resources Management (Environment) -

This Department (re-named Environment in the summer of 1971) merits our attention not so much for its general responsibility for managing the Province's energy resources but because it supervises the work of the Conservation Authorities and because several important agencies - especially the Ontario Water Resources Commission and the Ontario Hydro Electric Power Commission - report through its Minister.

Under the 1946 Conservation Authorities Act, 36 Conservation Authorities have been established, 31 of which are in Southern Ontario. Organized on a watershed basis, these authorities are designated by the Lieutenant-Governor-in Council on request from local municipalities supported by two-thirds of the municipalities involved, (i.e. within the watershed or watersheds under discussion).

Of particular interest are the planning activities
of the Conservation Authorities. Shortly after their
formation they are provided with a technical inventory
on the watershed resources prepared by the Department of
Energy and Resources Management(now Environment), on the
basis of which they are expected to provide an overall
long term plan to protect and develop the resources of
the area. The 1967 Report of the Select Committee on
Conservation Authorities stressed the significance of this
planning responsibility, and the importance of the relation-
ship between the Authorities' planning and the official plans
of constituent municipalities.[20] The Committee recommended
that "every Conservation Authority... should have a plan
which parallels, complements, and relates to the official
plans within its jurisdiction."[21] Thus the activities of
the Conservation Authorities have a bearing on the pursuit
of a regional development programme.

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[20]
"Such long term, overall authority planning for
conservation is analagous to regional planning and,
furthermore, conservation planning is intimately related
to land use planning at both the community and regional
levels." Legislature of Ontario, Select Committee on
Conservation Authorities, Report, 1967, p.35.

[21]
Ibid., p.36.

- Ontario Water Resources Commission -

The Commission was established in 1956 in recognition of the increasing problem of ensuring adequate supplies of safe water and dealing effectively with waste disposal problems. All proposed water and sewage works must receive Commission approval prior to the actual construction of the works. From the outset, the Commission was authorized to assist municipalities in the financing, construction and operation of water and sewage works. Since 1965 the Commission has been empowered to completely finance, construct and operate a water or sewage works project, with the municipalities concerned paying a water or sewerage rate for the services rendered. In addition, it directly finances and constructs major regional pipelines which service several municipalities, such as the South Peel and Central York schemes referred to below. In furtherance of these responsibilities, the Commission conducts research into pollution, improvement of waste disposal and water quality. It also undertakes estimates of future demand on water and sewage facilities on a regional basis to guide the planning of facilities.

The significance of the provision of water and sewage facilities in determining settlement patterns makes the activities of the Ontario Water Resources Commission extremely important in the pursuit of a regional development programme. This point was well expressed in the Report of the Peel-Halton Local Government Review Commission. In

the words of the Report:[22]

> It must be recognized that the provision of
> water and sewer services is a vital tool in
> the securing of a desirable pattern of urban
> development. As a consequence this power
> must be exercised in concert with a declared
> public policy with respect to land use
> objectives.

However, the Report stated that consultations with the

Commission, the Department of Economics and Development

and the Department of Municipal Affairs had not indicated

the existence (in 1965-66) of any comprehensive plan which

could guide the Commission. In the absence of such a

plan, the Report expressed concern that Commission acti-

vities might "stimulate premature development and promote

uncoordinated urbanization with concomitant social and

economic problems."[23] Subsequent developments, described

below, demonstrate both the validity of this concern and

the improved guidelines for and control over the operations

of the Ontario Water Resources Commission with the adoption

of the Toronto-Centred Region Plan.

- Hydro Electric Power Commission of Ontario -

Established in 1906, Ontario Hydro is responsible for

the provision of electricity and its transmission and delivery

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22
    Report of the Peel-Halton Local Government Review,
T. J. Plunkett, Special Commissioner, 1966, p.106.

23
    Ibid., p.106.

to municipal electric utilities, rural operating areas
and a number of industrial concerns. At one time, the
location of a power generation site was a factor in-
fluencing the pattern of industrial development. However,
with the Hydro Commission's introduction of a flat rate
across the province, this is no longer the case.[24]   As
will be seen, recent efforts to plan "service corridors"
have made the location of Hydro transmission lines
important in the regional planning process.

- Department of Lands and Forests -

This Department is responsible for the administration
of the renewable natural resources of the province includ-
ing Crown lands, forests, fish and wildlife. Of particular
interest for the purposes of this study are the planning
activities of the Department. Beginning in 1962, the
Department embarked on a coordinated multiple land use
planning program. Using administrative districts established
by the Department, this program rated the potential produc-
tion of land in terms of agriculture, forestry, wildlife,
fish and recreation. Social and economic criteria such as
distances to centres of population, transportation and
present pattern of development were then added to indicate
three general levels of use: very intensive, moderately

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[24] Chenk Chi Wong, Perspective and Challenge: A Study
of the Planning Process within the Departments of the
Ontario Government, University of Toronto Masters Thesis
(unpublished) 1969, p.56.

intensive, and extensive.[25]

The park planning and development activities of the Department should also be noted. The duties of the Parks Branch include "the compilation of a long term provincial parks plan, the investigation of all areas having potential provincial park value, the recommendation to the Ontario Parks Integration Board of the suitability of areas for acquisition as provincial parks and the examination and reservation of Crown lands as future provincial parklands."[26]

In addition, in large parts of northern Ontario which are not organized municipally, the Department of Lands and Forests is, in effect, the local planning agency. All new developments such as sub-divisions, and commercial/industrial construction requires approval of the local Lands and Forests Officer.

- Department of Agriculture and Food -

This Department merits mention mainly because of its involvement in the ARDA programme in Ontario. Administration and coordination of Ontario projects under this federal-provincial programme is the responsibility of an ARDA

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[25]
The description of this programme is based on Wong (Ibid., pp.46-9), who notes that many of the approximately twenty district land use plans completed by 1967 were disappointing and the Department has since embarked on a more comprehensive land use planning programme.

[26]
Composed of the chairman of The Niagara Parks Commission, the Chairman of The Ontario-St.Lawrence Development Commission, The Treasurer of Ontario, the Minister of Lands and Forests and the Minister of Trade and Development, the Board is charged with establishing integrated policies of management and development of provincial parks.

Directorate chaired by an Assistant Deputy Minister in
the Department of Agriculture and Food and including
representatives from Lands and Forests, Municipal Affairs,
Tourism and Information, Treasury and Economics, Trade and
Development and Energy and Resources Management (Environment).
The relationship of ARDA to the emerging regional development
programme is examined below.

- Department of Tourism and Information -

This Department is responsible for developing the
tourist industry in Ontario and to this end provides grants
to Regional Tourist Councils across the Province. Because
tourism is the only major industry in some parts of Ontario,
and because a regional development plan includes provision
for leisure activities of the regional populace, the acti-
vities of this Department should be consistent with regional
development plans.

From the above, it is clear that existing departments
and agencies have the authority to provide the major infra-
structure for regional development (roads, water, sewerage
facilities, schools and housing) and to influence the location
of firms through a variety of financial incentives and even
the provision of factories. At the same time it is also
apparent that throughout the period of this study these
responsibilities have been divided among a number of Provincial

bodies. While the Departments of Treasury and Economics and Municipal Affairs have been especially important, other bodies such as the Department of Highways (Transportation and Communications), Ontario Water Resources Commission and Ontario Development Corporation have also played a significant part.

The Local Level

As previously mentioned, municipalities have an important role especially in the implementation of regional development. They are responsible for providing many of the basic services which constitute the economic and social infrastructure so important in attracting industry. Even in the broader context where regional development is taken to include social goals and the much-heralded quality of life, it is the local level which provides many of the basic services involved. The brief outline which follows attempts to illustrate the significance of local government responsibilities in relation to regional development.

Of particular importance is the local responsibility for physical or land use planning. The Ontario Planning Act provides for the preparation and adoption of Official Plans which outline the desired development pattern on the basis of studies of population, land use and general economic characteristics. This legislation also provides

for the enactment of restricted area by-laws (popularly

known as zoning by-laws) which designate areas of land

or zones in which specified categories of land use are

permitted or prohibited, and set down regulations embody-

ing the conditions under which the land may be used within

each zone. Where an Official Plan exists the restricted

area by-law must be consistent with it. A further planning

control is provided by subdivision control by-laws under

which, with certain exceptions, development is not permitted

within a registered plan of subdivision. This control, along

with several other aspects of provincial planning controls,

was tightened up with a substantial amendment to the Planning

Act in 1970.[27]

The actual administration of these planning responsi-

bilities is complicated not only by extensive Provincial

involvement, but also the existence, in many municipalities,

of planning boards. Consisting of appointed members, a

majority of whom must be non-council members, these planning

boards are ostensibly advisory in character. However, in

practice they usually exert a very strong influence on

council. Thus the general procedure is that zoning by-laws

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[27]
    For details see Ontario Department of Municipal
Affairs, Annual Report 1970, pp. 27-9.

and official plans are initially prepared by the planning
board,[28] then adopted by council. Moreover, council may
only amend or repeal an Official Plan against the wishes
of the planning board by a two-thirds vote.

Official Plans are not so designated until approved
by the Minister of Municipal Affairs. Zoning by-laws are
also subject to approval by the Ontario Municipal Board.
However, it is important to note that this provincial
control over local planning activities is largely negative.
That is, the Province can refuse to approve an Official
Plan or a zoning by-law which would permit developments
incompatible with broader provincial objectives, but they
cannot compel a municipality to amend its plan or by-law
in some specific fashion. This point is significant
because positive cooperation may be required from municipal-
ities if local planning is to reinforce the regional devel-
opment goals of the Provincial Government (discussed further
below).

Another weakness has been the fact that plans are
prepared largely in isolation, with little regard for
developments in adjacent municipalities. In theory a

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[28]
    A potentially significant factor here is whether
the planning board have their own separate staff or rely
upon a planning department which is an integral part of
the civic administration. In the former case the status
and independence of the board tends to be enhanced.

general overview is provided by the requirement of
Ministerial approval, but in the absence of an overall
Provincial Land Use Plan and given the fact that Official
Plans come forward for approval at varying times, little
integration has been possible. Partly to counteract this
weakness, and also to provide for the planning responsi-
bility to be exercised over larger areas, the Ontario
Government has encouraged the establishment of Joint Planning
Boards usually encompassing a city and the county in which it
is situated or a city and one or a few adjacent municipal-
ities. However, with a few exceptions, these Joint Planning
Boards have not been particularly effective, largely because
of the lack of machinery to implement their plans.[29]

Another important municipal responsibility involves
the construction and maintenance of local roads, partly
financed by provincial grants which vary according to the
type of road and category of municipality.[30] Because of
the division of roads into various categories (municipal,
county, suburban and provincial) the administration of this

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[29]
Interview, April 21st, 1971.

[30]
Until 1970 cities received 33-1/3% grants (now 50%)
toward their expenditures on approved projects. Towns,
villages and townships may receive grants of up to 80%
for bridgeworks and 50% grants for virtually all roads.
75% grants are also available for extensions of or connections
to the King's Highways in urban areas.

responsibility is badly fragmented. In addition to the
Provincial Government (Department of Transportation and
Communications) and local and county councils, there are
in many areas special purpose bodies known as Suburban
Roads Commissions. Normally consisting of from three to
five members these Commissions are appointed by the con-
stituent city and county councils as a means of obtaining
an integrated approach to the provision of roads. Normally
the city and county each pay 25% of the costs, with the
remaining 50% from the Province.

One major local government study went so far as to
describe the provision of roads as "perhaps the most complex
administrative arrangements for any single function in all
the local services."[31]   This report went on to note:[32]

> Each municipality has roads of its own. Each
> of the townships has within it, in addition
> to its own roads, suburban roads, county roads
> and provincial highways. Each of these road
> systems in turn is subject to varying grants,
> confusing accounting and financial arrangements,
> and - most critically - to differing political
> authority. They are, therefore, difficult to
> coordinate into any rational system of priority-
> setting.

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[31]
Report of the Waterloo Area Local Government Review,
Commissioner, Dr. Stewart Fyfe, 1970, p.69.

[32]
Ibid., p.69

The basic responsibility for water supply and the provision of sewage disposal facilities rests with local government. In many municipalities the water system is administered by a separately elected commission of three to five members rather than falling under direct council jurisdiction. Growing concern about both water supply and water pollution has brought increasing provincial involvement, mainly through the Ontario Water Resources Commission. In addition to supplying water in bulk from the Great Lakes and designing, financing and operating water systems, the Commission has authority to approve water schemes.

The provision of sewage facilities has traditionally been a direct responsibility of the municipal council. However, since its establishment the Ontario Water Resources Commission has assumed operation of many existing sewage treatment plans in the Province as well as undertaking the construction and operation of new plants. Where this has occurred, the municipality has retained responsibility for the construction and maintenance of sewers.

The local distribution of electric power is a municipal responsibility except for certain rural areas of the province where it is directly provided by the Ontario Hydro-Electric Power Commission through their Rural Operating Areas. The

normal practice is for this responsibility to be vested

in an elected Commission, usually known as a Public

Utilities Commission.[33]   Regardless of the administrative

arrangements, the Ontario Hydro sets standards for

operation and exercises control over financial practices,

including rates.

Local government is also responsible for the provision

of parks and recreational facilities, although there has

been a tendency (partly encouraged by the provincial grant

system) to appoint boards to administer these functions.

Often, in fact, a board is given a combined responsibility

for both parks and recreation. It should be noted that

Conservation Authorities (Supra, p.384) help meet the need

for parks through their ample river valleys and multiple

use conservation sites. However, the interaction of more

leisure time, rising incomes and an increasingly mobile

public call into question the adequacy of the existing

administrative arrangements, not only for providing sufficient

parks and recreational facilities but for providing them in

the most appropriate places.

In addition to the above, the municipality has at least

partial responsibility for the provision of public transit,

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[33]
    Public Utility Commissions tend to have multiple
responsibilities, including such functions as water supply,
gas distribution and public transit.

public housing, health and welfare services and libraries,
all of which contribute to the development of a region in
the broad sense of the term. While provided by a separately
elected, independent special purpose body, elementary
and secondary schooling should also be mentioned. If not
a municipal responsibility, the provision of educational
facilities is at least a local, as distinct from provincial,
responsibility and is an essential ingredient of a compre-
hensive regional development programme.

Finally, it should be noted that municipalities may
directly affect the pattern of development through a
programme of industrial promotion.[34] Their degree of
success in attracting industry will, to a considerable
extent, reflect the adequacy of important municipal services,
that is, whether there is a good infrastructure. The
Province can do much to make particular municipalities
especially attractive to industry through adding to the
infrastructure (by constructing a highway or a major water
main or trunk sewer line) and direct financial incentives
(such as the EIO Programme described above). Conversely,

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[34]
Under The Municipal Act, municipalities are authorized
to acquire and expropriate land and sell or lease the land
for industrial sites, to appoint an industrial commissioner
(in the case of municipalities 5,000 population and over)
and to pool funds with one or more other municipalities for
industrial promotion.

planning controls can be used to try and restrict development in certain areas of the Province.

Whatever intentions the Ontario Government might have, however, considerable scope remains for an energetic council and/or dynamic Industrial Commissioner to vigorously pursue economic development. In fact, the nature of the real property tax, which has remained the only major source of local revenues, has forced most municipalities to compete for industry to strengthen their tax base. At the same time, the selectivity inherent in the Ontario Government's endorsement of a growth area policy (however vague at this point) presumably means that the development of some areas will receive special attention while other areas may grow very little or even decline. Unrestrained pursuit of industrial development by most municipalities is not compatible with this approach. Ironically, even more difficulties could arise if a municipality opposed a major expansion desired by the Province. Since the provincial planning controls are essentially negative the municipality could not be compelled to institute changes which would accommodate growth.

In summary, several observations are in order. Even the brief outline above should indicate the significance of local government responsibilities in the pursuit of

regional economic development. At the same time, some
indication of the inadequacy of the existing local govern-
ment structure is also apparent in this outline. By the
1960s it had become increasingly clear that the effective
administration of many services was impeded by excessive
fragmentation of responsibilities, not only between the
municipality and the Provincial Government, but between
the municipality and a number of special purpose bodies
at the local level (for example, planning boards and sub-
urban roads commissions). There was growing recognition
of the fact that the planning and development of many
services should take place over much larger areas than the
existing local government boundaries. Not only were many
municipalities too small, they were also under severe
financial pressures because of continued reliance on the
real property tax as the main source of local revenues.
Financial adjustments in the form of conditional grants
brought more provincial supervision and control over
municipal activities which undermined local autonomy.

These and other factors led to the present programme
of local government reform in Ontario which has become
popularly simplified as the creation of regional governments.
An assessment, later in the study, of the contribution of
local government to the pursuit of a regional development
programme will attempt to take account of the impact of
emerging regional governments in the province.

CHAPTER IX

DESIGN FOR DEVELOPMENT: EVOLUTION OF REGIONAL MACHINERY AND POLICY

As previously noted, the Ontario Government's first major policy statement on regional development, entitled Design for Development, was made in April 1966. While general in tone, it pledged the Government to provide "the best possible environment for our people and, at the same time, the creation and maintenance of an atmosphere which will encourage economic growth and development throughout the province."[1] It called for "the smoothing out of conspicuous regional inequalities."[2] Design for Development also noted that "much of Ontario's regional development programme will be accomplished by a thorough-going coordination of the programmes, policies and spending of government departments and agencies."[3] It went on to outline responsibilities of a number of Provincial bodies which would need to be exercised in concert if a successful regional development programme were to be realized.[4]

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[1] Design for Development, op. cit., p.3.

[2] Ibid., p.6.

[3] Ibid., p.8.

[4] In fact, this outline referred, much more briefly, to most of the departments and agencies described in Chapter Eight.

To effect the necessary coordination, both additions to administrative machinery and a strengthening of some existing machinery was proposed.

The Establishment of New Regional Machinery

Citing the cabinet as "the ultimate policy-making and coordinating body of the provincial government,"[5] Design for Development called for the establishment of a Cabinet Committee chaired by the Prime Minister "with the function of directing and coordinating the preparation and implementation of regional plans relating to land use and economic development, housing, highways, transportation, agriculture, industry, education and other matters pertaining to growth and development within the Province"[6] Initially, the membership of this Committee comprised the Ministers of Economics and Development, Highways, Agriculture and Food, Municipal Affairs and Lands and Forests.

To assist and advise this Cabinet Committee and to review plans prior to their submission to the Committee, Design for Development called for an Advisory Committee on Regional Development. Chaired by the deputy minister of

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[5] Design for Development, op. cit., p.15.

[6] Ibid., p.15.

Treasury and Economics,[7] this Committee consisted of

deputy ministers from the Departments of Agriculture

and Food, Energy and Resources Management, Highways,

Lands and Forests, Municipal Affairs, Tourism, Trade and

Development and a senior representative from the Prime

Minister's Office.

In addition, regional advisory boards were established

in each of the ten economic regions of the province (see

Map 6) to provide "guidance and advice on regional matters

to the Advisory Committee...and serve as a useful forum

for the discussion of regional problems and a means to

further inter-departmental cooperation and coordination in

the field."[8]   According to Design for Development these

boards would consist of "a senior civil servant from each

provincial department with offices in the region."[9]

Along with the new machinery outlined above, Design

for Development called for the strengthening of the regional

development associations which had been established in the

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[7]
When first established, this Committee was chaired by
the Chief Economist of the Province of Ontario. However,
with the reorganizations that led to the Department of Treasury
and Economics, the Chief Economist became the deputy minister
of the new department.

[8]
Design for Development, op. cit., p.16

[9]
Ibid., p.16.

MAP 6

THE ECONOMIC REGIONS OF ONTARIO

50 - Eastern Ontario
51 - Lake Ontario
52 - Central Ontario
53 - Niagara
54 - Lake Erie
55 - Lake St. Clair
56 - Mid-Western Ontario
57 - Georgian Bay
58 - Northeastern Ontario
59 - Lakehead - Northwestern Ontario

Regional Development Branch — Office of the Chief Economist
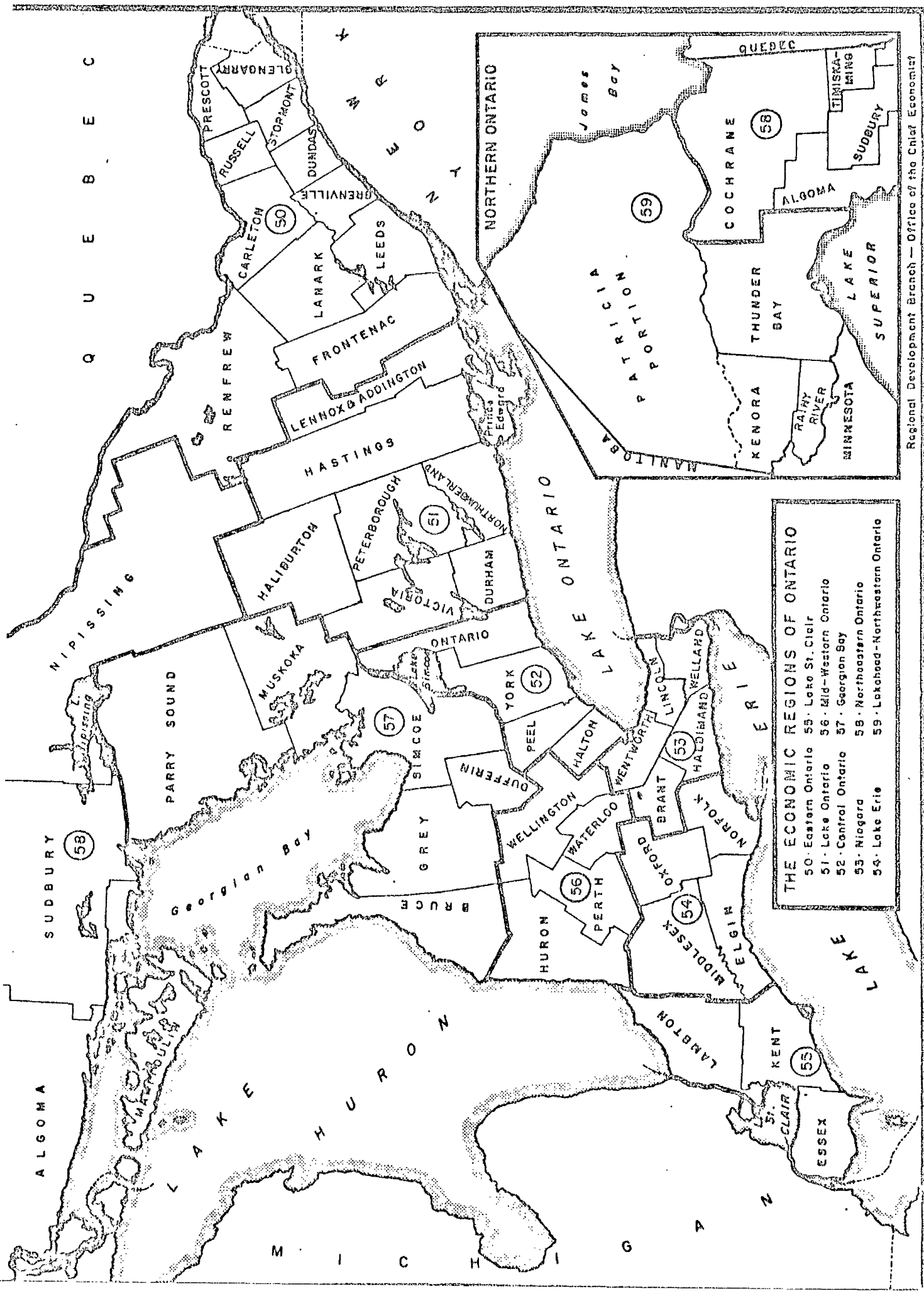
economic regions of the province over the previous decade.[10] With statutory backing, expanded provincial grants and a new name (regional development councils), these bodies were expected to provide advice and participation from local citizens and municipalities and to undertake the preparation of economic development plans for their region.[11]

Finally, Regional Development Branch (then of Economics and Development, now of Treasury and Economics) was seen by Design for Development as a central secretariat and research body. It was given the responsibility for outlining the terms of reference of regional economic studies, receiving and evaluating proposals for research projects from the various regional development councils and undertaking a comprehensive programme of regional economic research.[12]

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[10] Only the Central Ontario Economic Region had not yet established a regional development association, and it did so the following year.

[11] Design for Development, op. cit., pp. 18-20.

[12] Ibid., p.18.

The Regional Planning Process

Subsequent to Design for Development several state-
ments from the Regional Development Branch[13] elaborated
and clarified the way in which the regional development
programme would unfold. This took the form of a three
stage (inventory, evaluation and plan) regional planning
process described briefly below.

In the first stage, completed in 1967, the Regional
Development Branch compiled an inventory of all programs,
policies and information of provincial departments that
might be of value in an emerging regional development
programme.

The evaluation stage consisting of two parts was
essentially completed by the end of 1968. The first part
involved the Branch making a trend assessment of 63 in-
dicators of socio-economic change over the 1951-1966 period
on the smallest geographic base possible (in some cases
the township; for the most part, the county). The perfor-
mance of each unit was compared with provincial "performance
norms". Through clustering of townships and counties with
similar performance records three types of region were

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[13] For example, Initial Policies and Strategies for
Development, December 29th, 1967; Approach to Plan, August 12th,
1968; Ontario's Emerging Program of Regional Development,
October 29th, 1968; and Regional Development in Ontario,
September 8th, 1969.

indicated. These were categorized as regions of self-sustained growth in which the major problems are those of space adjustment; regions of inconsistent or fluctuating growth, in which some assistance may be necessary to bring the region to its full potential; and regions of slow growth in which major assistance may be necessary if the region is to achieve its potential.[14]

The second part of the evaluation stage involved obtaining information from the regional development councils and regional advisory boards on the economic problems and potential of their regions. They were asked to give particular attention to "the identification of the major problems of an urban and rural nature; the recommended solutions for these problems, the suggestion of cities and towns which might be potential growth points; the suggestion of appropriate measures of land control that then were not being utilized, and a ranking of priorities

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14
    For details on the economic analysis underlying the evaluation stage - largely beyond the scope of this study - see Regional Development Branch, Preliminary Statement on Considerations and Criteria for the Regional Evaluation Stage, June 30th, 1967. The regional planning process is also described in Richard S. Thoman, Design for Development in Ontario, The Initiation of a Regional Planning Program, Toronto, Allister Typesetting and Graphics, 1971, Chapter Three. Dr. Thoman was Director of the Regional Development Branch during most of the period under study.

of the points mentioned above."[15] The original deadline
for this information was Autumn 1968, subsequently
extended to December, and the ten submissions received
from the regional development councils were tabled in
the Ontario Legislative Assembly on March 6th, 1969. Thus
the evaluation stage was intended to provide both factual
information on the performance of a region and insights
into particular problems and possible solutions through
the perspective of the board and council.

The third or plan stage, which is as yet far from
complete, also involves two parts. First there were to
be reports entitled "Phase One: Analysis" providing a
summary of the research conducted in each of the regions,
an assessment of the potential for each region and a
statement of goals. These reports would also contain a
tentative selection of growth centres.[16] At the end of
1971 four such reports had been released.[17] After these

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[15] Thoman, op. cit., pp. 50-1.

[16] The significance of this term is discussed below, pp 434-437.

[17] For Midwestern Ontario, Niagara (Southern Ontario),
Northeastern and Northwestern Ontario. The latter study
was undertaken as a joint federal-provincial project under
ARDA, but it is the equivalent of a Phase One report.

reports were discussed and reviewed by the people in the
regions, especially through the regional development
councils, the second part of the planning stage would
occur with the publication of reports entitled "Phase
Two: Policy Recommendations." Only Northwestern Ontario
has one of these reports although, as will be seen below,
major policy statements on the Toronto-Centred Region can
be considered the equivalent of a Phase Two report.[18]

Evolution of the Regional Machinery

As the regional planning process went forward a
number of changes occurred in the machinery established
by Design for Development. A brief description of these
changes and a clarification of the role of this machinery
in the regional development exercise is attempted below.

Advisory Committee on Regional Development

The Advisory Committee of deputy ministers became
in many respects the key element of the new regional machin-
ery. Established and functioning before the end of 1966
the Advisory Committee became the body to which matters
with regional implications were referred. The Committee
supervised the appointment of the regional advisory boards
and on several occasions discussed and modified the role of

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[18]
See pp. 460, 471.

the boards and the regional development councils and
their degree of involvement in the regional development
programme. At the same time, the Advisory Committee
was responsible for making recommendations to the Cabinet
Committee (discussed below) and for acting on directions
from this body. It therefore occupied a vital pivotol
role between the Cabinet (policy-making) level and the
regional level.

Meeting approximately monthly, the Advisory Committee
became increasingly concerned with the consideration of
specific issues and activities related to regional dev-
elopment. Examples included discussion of the Carol
Report[19] and associated questions about the nature of
economic regions and administrative regions, whether
ARDA proposals should come before the Advisory Committee
(yes, for information only), and the procedure for follow-
up action on the Niagara Escarpment Report.[20]

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[19] Hans Carol, Geographical Identification of Regional
Growth Centres and Development Regions in Southern Ontario,
Report to the Regional Development Branch, 1966.

[20] Department of Treasury and Economics, The Niagara
Escarpment Study, 1969. Prepared by a team within the Regional
Development Branch under the direction of Professor L. O.
Gertler, this study offered recommendations for preservation
of the natural beauty and recreational potential of the Es-
carpment, a ridge of land extending from Niagara Falls through
Hamilton and northward toward Georgian Bay.

As the elaboration of regional development plans progressed, consideration of these plans occupied more and more of the Committee's time. Thus in 1967-68 discussion had commenced on the goals which were to form the basis of the Toronto-Centred Region Plan.[21] By the end of 1969 progress reports on planning in the Midwestern, Lake Erie, Niagara and, most specifically, Northwestern and Northeastern regions were before the Advisory Committee, with reports from other regions to follow in 1970. By this time there was growing concern about the workload of the Advisory Committee. In the spring of 1970 it was decided to establish Liaison Committees which would review and amend material coming from the Regional Development Branch and other bodies prior to its submission to the Advisory Committee.

Two such Liaison Committees were established, the Northern and Eastern covering the Northwestern, North-eastern and Eastern Ontario Economics Regions and the Central and Southwest covering the other seven Economic Regions.[22] Chaired by members of the Regional Development

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21
The elaboration of the Toronto-Centred Region Plan and the Advisory Committee's role in this process are considered separately below.

22
That is, the Lake Ontario, Georgian Bay, Central Ontario, Midwestern, Niagara (Southern Ontario), Lake Erie and St. Clair economic regions.

Branch, these Liaison Committees consisted of represent-
atives of those departments on the Advisory Committee,
plus certain other representatives.[23] They were authorized
to establish interdepartmental task forces in carrying out
their responsibilities and did use such bodies extensively
(as will be seen in the description of the Toronto-Centred
Region exercise). At the same time, the Advisory Committee
decided that, at least as a temporary solution to their
need for a full time Secretariat, Regional Development
Branch would undertake this task using a core of three or
four staff specifically assigned for the purpose. This
machinery remained relatively unchanged throughout the
remainder of the study period.

Cabinet Committee

While Design for Development envisaged a Cabinet
Committee as the apex of the regional development machinery,
it is not certain that this committee played a significant
role in the first few years of the regional development
program. As previously indicated, the original Cabinet
Committee on Regional Development was chaired by the Prime

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[23] Such as Ontario Housing Corporation, Ontario Water
Resources Commission and the Department of Education in
the case of the Central and Southwestern Liaison Committee
and Ontario Development Corporation and Department of Mines
and Northern Affairs in the case of the Northern and Eastern
Committee.

Minister and comprised the Ministers of Highways,
Agriculture and Food, Municipal Affairs, Lands and
Forests and Economics and Development. Apparently this
Committee met on only two occasions before being super-
seded by a Cabinet Committee on Policy Development. The
reasons for this change are obscure. One explanation
offered to the writer was that regional development was
felt to cut across so many areas and raise so many policy
questions that it was more appropriately considered by a
committee with broader terms of reference, that is the
Committee on Policy Development which was already in
existence. Another factor appears to have been a feeling
that a Cabinet Committee focusing specifically on regional
development was premature, that until the regional devel-
opment process was further advanced there would be in-
sufficient work for such a body.

The Cabinet Committee on Policy Development was
also chaired by the Prime Minister, but its membership
(Ministers of Education, Labour, Correctional Services,
Treasury and Economics and Trade and Development) was
quite different and not as directly related to regional
development (a point returned to below). Indications are
that rather than taking the lead on regional development
issues, the Cabinet Committee left the initiative in the

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hands of the Advisory Committee.   By the end of the 1960s there was a growing feeling on the Advisory Committee that the Cabinet should play a stronger role in coordination and that decisions were required on several major items with regional implications. This feeling was partly reflected in suggestions that a new Cabinet Committee with more specific terms of reference (for example, Provincial and Regional Planning) be established.

In the spring of 1971, following William Davis's succession of John Robarts as leader of the Conservative Party and Prime Minister of Ontario, a new Cabinet Committee on Economic and Regional Development was established. Under the chairmanship of the Provincial Treasurer and Minister of Economics, this Committee also includes the Ministers of Municipal Affairs, Transportation and Communications (formerly the separate departments of Highways and Transport), Mines and Northern Affairs, Trade and Development and Environment (formerly Energy and Resources Management). Thus after more than four years, direction of the regional development programme

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    While the deliberations of the Cabinet Committee are, of course, secret, this is the impression gained from an examination of available material and interviews with senior officials.

appears to have returned to a Cabinet Committee with specific terms of reference and closely related membership.

Regional Advisory Boards

As outlined in Design for Development, each regional advisory board was to consist of senior civil servants from each provincial department with offices in its region. However, when established these boards consisted of representatives of the departments of Agriculture and Food, Energy and Resources Management, Highways, Lands and Forest, Municipal Affairs and Tourism and Information - in other words, with the exception of Economics and Development (which did not have any field offices), the same departments which were represented on the Advisory Committee on Regional Development. This change was confirmed by subsequent statements from the Regional Development Branch which described the membership of the regional advisory boards as representatives of those departments which were on the Advisory Committee and which had field offices.[25] It is difficult to assess the effect of this restricted composition of the regional advisory boards. To the extent that the boards were intended to improve inter-departmental coordination at the

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[25] For example, see Regional Development Branch, Ontario's Emerging Program of Regional Development, October 29th, 1968.

regional level, presumably this would have been facil-
itated with broader membership. At the same time, if
the boards had been more representative of the depart-
ments with field offices, some board members would have
been at a distinct disadvantage since they would have
lacked spokesmen for their departments on the senior
Advisory and Cabinet Committees.

As time passed there were a number of suggestions
that the membership of the boards be broadened and
several boards specifically asked the Advisory Committee
about the addition of particular departments. Curiously,
on those occasions when the Advisory Committee debated
the question of broadening the board membership they
appeared to regard it as a new idea rather than a return
to the proposal in Design for Development. In early
1971 the Advisory Committees adopted a flexible position
and advised the regional advisory boards that they might
invite as a member any Government body with offices in
their region.

The original terms of reference of the boards
were as follows:
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26
    Regional Development Branch, Regional Advisory
Boards, Original Terms of Reference, January 1967.

(i) to provide information and recommendations
to the Advisory Committee, by considering
questions and problems placed before them by
the Committee, and by bringing relevant
questions regarding their region to the
attention of the Committee.

(ii) to provide inter-departmental coordination.

(iii) to participate in activities of the Regional
Development Councils when invited (and vice-
versa).

The limited evidence available does not indicate
that the boards played a significant role, at least in
the early years of the regional development programme.
The deliberations of the Advisory Committee reveal
recurring expressions of concern from the boards about
the extent of their involvement in the regional planning
process. Part of the problem appeared to be the un-
certainty of the Advisory Committee itself about the
exact role of the boards. From the outset there was a
reluctance to have the regional advisory boards vote on
specific issues lest field officers be placed in the
position of offering advice contrary to prevailing
departmental views or policies. Not until April 1968
did the boards receive their first substantial referral

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from the Advisory Committee in the form of a request

that they submit plans for the future development of

their regions paralleling the exercise then underway

by the regional development councils as part of the

previously-described evaluation stage of the regional

planning process. Apart from this input, which was not

made public and therefore can't be assessed, it appears

that most of the suggestions and information which came

forward could have been initiated by individual field

officers whether or not the boards existed. Only after

several requests from the boards for copies of the

Advisory Committee minutes was it agreed, in the Autumn

of 1970, to provide the boards with one or two page

summaries of the deliberations of each meeting.

However, perhaps in recognition of these shortcomings,

August 1971 saw several changes in the activities of the

regional advisory boards and an apparent attempt to involve

them much more fully in the regional development exercise.

All board members are now to receive copies of summary

minutes of the Advisory Committee and agendas and minutes

of the appropriate Liaison Committee. Both the Advisory

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    However, part of this delay was presumably associ-
ated with the inevitable "start-up time" of the new
regional programme, a point returned to below.

Committee and the Liaison Committees are to invite
representatives of a board when discussing items of
particular concern to its region. Draft research
reports prepared by the Regional Development Branch
and others are to be circulated for comment to the
boards at the same time as this material is circulated
to the Liaison Committees. Regional development councils
will be encouraged to have representatives of the board
in their region at all meetings with the possibility of
an annual joint meeting. Finally, boards are to send
copies of the minutes of their meetings and any support-
ing information to the Regional Development Branch which
will then report on this to the Advisory Committee. The
probable effect of these changes, together with a final
assessment of the role of the boards, is reserved to the
concluding chapter.

Regional Development Councils

Unlike the other three pieces of machinery established
under Design for Development, the councils (with one ex-
ception) already existed in the form of regional development
associations. Therefore it is useful to begin by outlining
the origin, organization and functions of these associations.[28]

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[28] Much of this section is based on Susan J. Dolbey,
Inter-Municipal Special Purpose Bodies in the Province of
Ontario, Queen's University, M.A. Thesis (unpublished),1965.

On this basis one can more clearly see the shift in

emphasis introduced by Design for Development and can

better assess the likely adequacy of the associations/

councils in fulfilling their new roles.

- Background: Regional Development Associations -

The first regional development association was

established in Eastern Ontario[29] in 1954, largely in

response to strong local initiative.[30] Over the next

decade, associations were established in eight of the

nine remaining regions.[31]

Until 1966 there was no Act setting out in detail

how the associations were to be organized.[32] Generally,

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[29] The jurisdiction of the Association was the Eastern Ontario Economic Region. It is interesting to note that these economic regions, which were used by the Regional Development Associations, and on which the present regional planning programme is based, were originally delineated by the Federal Department of Defence Production and were re-organized into ten regions "for statistical purposes and computer use". Dolbey, p.37

[30] Dolbey remarks rather wryly (p.37) "The credit for their establishment and the actual sequence of events varies depending upon whether the person giving the history is from Eastern Ontario or in the Provincial government service."

[31] The tenth region, Central Ontario, was not organized until late 1966, by which time a regional development council, not association, was established.

[32] Each was established as a corporation under the Corporations Act, and had its own individual by-law setting out its responsibilities.

however, the organization was similar for all. Provision
was made for both municipal membership and associate
membership, the latter for private organizations. Each
region was divided into zones, for the most part follow-
ing county boundaries and therefore numbering from three
to seven per region. Within each zone member municipalities
normally appointed two members (one a councillor) to a zone
board. In addition to electing its own executive, each
zone also appointed representatives to the regional board
of directors. This board in turn appointed representatives
of the associate members who were not directly represented
at the zone level. At least in theory it was intended that
problems and possible courses of action be initially dis-
cussed at zone meetings and then forwarded for consideration
by the region's board of directors.

In the absence of legislation on these bodies, it was
very difficult to get a clear definition of the functions
of the regional development associations during this early
period. Dolbey[33] dismisses the description contained in a
Government booklet of the day as not "too illuminating", and
relies on a survey of the time spent by the association

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[33] Dolbey, op. cit., p.56.

managers on various activities as a more revealing indication
of their role. While obviously varying somewhat with the
region this survey indicated industrial promotion as a major
function (between 30% and 50% of the time in most regions)
and tourism, planning and surveys, and membership work also
important.[34]

Throughout their first decade of existence, one of the
major weaknesses of the regional development associations
was lack of participation by municipalities within their
boundaries. With membership voluntary, the percentage of
municipalities joining an association varied considerably
from region to region, and even within a single region varied
widely from year to year.[35] Even more significant, the
municipalities shunning membership tended to be the larger
municipalities in the region. In large part this related
to the image of the development associations as primarily
concerned with industrial promotion. The smaller municipal-
ities, especially those lacking an Industrial Commissioner,
found this service attractive, but the large municipalities

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[34] Ibid., p.58

[35] According to Dolbey (pp.43-7) among the key factors
here were the attitude of a municipality's Industrial Commiss-
ioner (who, in some cases regarded the associations as a threat
to their job security), the size of a municipality (with large
municipalities feeling that they did not need the association),
and a municipality's relations with the rest of the region
(that is, whether they felt on the periphery, whether they
regarded the region as homogeneous or too vast and composed of
conflicting interests, etc.).

felt - with considerable justification - that they could do quite well on their own. As a result of this situation, the percentage of a region's population represented on a regional development association was often significantly lower than the percentage of municipalities represented,[36] and, more seriously, the association was deprived of the contribution of what were often the abler, more aggressive municipal spokesmen.

Even for those municipalities who had joined the regional development associations participation was not necessarily strong. It was intended that the council members of an association would keep their respective municipal councils informed of activities and would also bring forward any recommendations of their councils to the association. However, in practice this does not appear to have happened to any great extent. Dolbey's research indicated that councillors represented on an association rarely received directions from their council and more often than not didn't report back to their council on association activities.[37]

A second problem facing the associations was limited finances. Their revenues were obtained from per capita

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[36] See Table 3, reprinted from Dolbey, p.43.

[37] Ibid., pp.76-7.

TABLE 3*

MEMBERSHIP AND POPULATION FIGURES FOR REGIONAL DEVELOPMENT ASSOCIATIONS

(1) Regional development association	(2) Municipalities in Region	(3) Participating Municipalities	(4) Percentage of Municipalities Participating	(5) Percentage of Population Represented	(6) Population	(7) Area in Square Miles
EODA	150	33	22	58	778,426	10,231
NWODA	46	26	57	91	181,090	213,000
GBDA	152	59	39	44	300,465	11,500
IODA	106	47	45	61	325,508	9,500
NEODA	131	41	32	40	444,178	104,650
MODA	78	33	42	62	38,175	3,670
NRDA	60	43	72	72	805,933	2,170
LERDA	71	21	30	55	403,579	3,358
SCRDA	70	29	41	30	447,763	2,750

* Files of Regional Development Branch, Department of Economics and Development, compiled from information supplied by General Managers dated October 1964. All figures are those of the Department with the exception of column 4.

contributions from member municipalities, associate member-
ship fees and provincial grants. Financial difficulties
were therefore partly related to incomplete municipal member-
ship. However, to increase membership fees would provide a
burden for many of the smaller municipalities who were con-
sistent members and would further convince the larger muni-
cipalities that membership would be an unnecessary expense.
Up to 1960 the Provincial Government provided each develop-
ment association with an annual grant of up to $10,000.
While supposedly on a matching basis, this condition was
apparently not strictly enforced.[38]   After minor changes in
the early 1960s, the Government announced in 1964 that each
association would receive a basic $10,000 grant, together
with an additional $5,000 on a matching basis, with the full
$15,000 completely unconditional.

The development associations' relations with the
Provincial Government are also of interest, especially in
the light of their subsequent involvement in the Government's
regional planning programme. The early associations were
formed with encouragement from the-then Department of Planning
and Development, and initially the Trade and Industry Branch
of that Department was responsible for liaison with the new

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[38] Ibid., p.67.

bodies. As previously outlined, a Regional Development Branch gradually evolved, first as a section of Trade and Industry, now, after several department reorganizations, as a Branch within the Department of Treasury and Economics. The pattern during the first decade was for coordinators from the Regional Development Branch to attend most meetings of the associations and maintain close liaison in the field. A further link was provided by the Province appointing one director to each of the association boards of directors.

While the Government's role was portrayed as one of liaison, advice and assistance, Dolbey's research indicated strong provincial influence over the activities of the associations. In large part this influence was exercised through the General Managers, whom the Province usually had a considerable hand in selecting.[39] It was also reflected in the tendency of the Government to issue strong suggestions, often more in the nature of directives, to the associations.[40]

In summary, what were the main characteristics of the regional development associations when Design for Development

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[39] "The Provincial appointee to the association sits in on the interviewing committee of the association when the applicants for manager are being selected and his opinion carries a great deal of weight. Suitable salaries are also suggested to the directors." Ibid., p.84.

[40] Ibid., pp. 85-6.

was released? They were voluntary organizations concerned
with the economic development of regions whose boundaries
had been, for the most part, established by the Federal
Government in the 1940s, and whose areas varied widely in
size, homogeneity and community of interest. Lacking a
solid foundation because of weak municipal membership and/
or participation and no significant powers, the regional
development associations were, in general, restricted
financially and susceptible to provincial direction. By
making them an integral part of the regional planning process,
Design for Development gave a new emphasis to the associations'
activities.

- Design for Development and
  The New Role of the Regional Development Councils -

A new role for the regional development associations/
councils was envisaged in the context of "encouraging the
increased participation of county and local municipal councils
and in recognition of the growing importance of the functions
and advice of regional citizens' groups."[41]   To carry out
their new advisory role the associations were recognized by
legislation and were renamed regional development councils.
More generous financing provided each new council with an

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[41]
   Design for Development, op. cit., p.19.

outright annual grant of $15,000, together with an additional grant of $10,000 (to cover the normal expenses of meetings, travelling, offices, hearings, promotion and staff and secretarial services) on a matching basis. However, it was stated that "payment of this grant will be dependent upon advance approval by the Minister of Economics and Development of each Council's annual programme and the Minister will co-ordinate the work of the various Councils."[42] Thus the Province's control and direction was to be strengthened and extended.

It is important to realize that no additional powers were given to the councils. Membership remained voluntary and their terms of reference remained vague and general. The only reference to responsibilities in the legislation states that, "The objects of each council are to undertake such informational, educational and promotional programmes and activities as relate to the orderly growth and economic development of the region in which it has jurisdiction."[43] Thus, new in name only, and with a slightly improved financial position which at the same time brought increased provincial

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[42] Ibid., p.20.

[43] Statutes of Ontario 1966, c.135, An Act respecting Regional Development Councils, s.3.

control, the regional development councils were to be the
grass roots input to the regional planning process.

The first substantial involvement of the regional
development councils came in March 1968, with a request
from the Provincial Treasurer that they prepare reports
outlining problems and proposals for their region. As
previously described, this formed part of the evaluation
stage of the regional planning process. With the refinement
of this regional planning process, specific stages involving
regional development council participation were "built in".
Thus, according to a September 1969 statement by the Regional
Development Branch (Regional Development in Ontario), the
councils were to have an especially important advisory role
after the release of Phase One: Analysis and Phase Two:
Policy Recommendations reports. This appears to have become
the practice with the Regional Development Branch receiving
the reactions of the councils to these emerging reports.

Implicit in the councils' new role is the assumption
that they are an accurate reflection of grass roots opinion,
an appropriate transmittor of regional perspectives on
various provincial proposals. One positive factor has been
a substantial increase in the municipal membership on most
of the councils. Limited figures obtained for 1970 reveal
that in five of the regions the municipalities belonging
to the councils contained between 70% and 95% of the

population of the region. However, there is little indication
that links between the regional development councils and
municipal councils have been significantly strengthened.
Moreover, non-members continue to include some of the
larger cities without whose support the councils are con-
siderably weakened.[44]

The validity of the councils' grass roots role is
especially important in connection with their preparation
of regional reports for the evaluation stage (in 1968) and
their continuing responsibility for responding to increasing-
ly refined regional plans prepared by the Regional Development
Branch. The actual procedures followed by the councils in
drawing up the 1968 reports are not particularly reassuring.

It should be noted that the councils were forced to
work within an extremely tight timetable. Initially, the
Treasurer's request allowed only six months for preparation
of the reports, although an extension of the deadline provided
nine months for the task. In addition, the councils were not
well staffed for undertaking the sort of economic analysis
implied in the requested reports.[45]   In this situation, and

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[44]
     The two most striking examples are the Midwestern
Council which does not include the four major cities of
Kitchener, Waterloo, Guelph and Galt and the Central Ontario
Council which doesn't have Metropolitan Toronto as a member.

[45]
     A reflection of the councils' restricted budgets and
also, presumably, the fact that until recently their pre-
occupation had been industrial promotion.

given the fact that the Ontario Government provided each
council with a $5,000 grant to assist in the preparation
of the report, the fairly understandable response of the
councils was to turn to outside help. All ten Councils
employed either consultants or academics to carry out the
actual preparation of the reports.

While all reports stressed that great care had been
taken to ensure that the views put forward were those of
the region, some reports were much more revealing than others
in outlining the procedure they had followed in ensuring this
objective. Public meetings were employed in all ten regions,
usually at least one in every zone, and in some cases con-
sisting essentially of an expanded version of the regular
zone meeting. The extent to which discussions at these
meetings were structured and the amount of preliminary work
which went into the meetings varied widely, with the Central
Ontario Development Council, for example, preparing fairly
comprehensive kits which included condensations of the MTARTS
Study (described below) and questionnaires.[46]

Attendance at, and participation in, these meetings also
showed wide variations. The report of the Niagara Regional
Development Council noted attendance of from 16 to 40, with
one meeting re-scheduled because of poor attendance, but

46
Central Ontario Regional Development Council,
Regional Development Review 1968, p.11.

but stressed that discussion was active at all sessions.[47]

The Eastern Ontario report indicated rather poor response

at its meetings, although no attendance figures were given.[48]

On the other hand, the 15 meetings held in the Georgian Bay

Region apparently attracted 80% of the municipalities in the

region.[49]

In four of the regions, the views obtained from public

meetings were supplemented by interviews with selected in-

dividuals, chosen because of their apparent status as

"regional spokesmen."[50] Four other regions relied instead

upon some form of questionnaire.[51] For example, in the

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[47]
Niagara Regional Development Council, Five Year Program of Action Niagara Economic Region, 1968, p.4.

[48]
"When field meetings were convened it became apparent that a plan of some type had to be presented before any re-actions or ideas were forthcoming." Eastern Ontario Regional Development Council, A Survey and Regional Development Plan for Eastern Ontario, 1968, p.2.

[49]
Georgian Bay Regional Development Council, Georgian Bay Regional Plan, 1968-1972, 1968, p.ii. However this statistic can be misleading, as it gives no indication of the actual turnout at individual meetings.

[50]
For example, Blueprint for Progress , the report of the Lake Ontario Regional Development Council, indicated (p.2) that of the 115 interviews carried out, over half were with municipal councillors, six with MPs and MLAs, 15 with federal and provincial civil servants, 16 with municipal officials, and 8 with industrialists.

[51]However, as previously indicated, one of these – Central Ontario – employed the questionnaire as part of its public meeting format.

Northeastern Region a questionnaire dealing primarily with
planning was mailed to all organized municipalities. In
addition, "a questionnaire listing various kinds of problems
and solutions which might be relevant to Northeastern Ontario
was mailed to approximately 2,500 people described as leaders
in their fields from all walks of life in the region."[52]
While the great distances involved appeared to be a factor
underlying the questionnaire approach in the Northeast, the
Niagara Report cited limited time and resources as the reason
for their use of a questionnaire.[53]

Apart from the normal problems of clarity, interpretation,
validity of sample, etc., one of the major weaknesses of the
questionnaire approach is, of course, the relatively low
response, and as a consequence, the difficulty of projecting
accurately the results. While only slightly over 20% of the
questionnaires in Northeastern Ontario were completed, the
fairly large original mailing meant that over 500 replies
were available. The Niagara Report noted 27% returns from a
questionnaire sent to a pre-selected group of 830 individuals,
but only a 12% response to 600 additional questionnaires

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[52]
Northeastern Ontario Regional Development Council,
Five Year Development Program, Final Report, 1968, p.3.

[53]
"It was apparent that with the limited time and
resources available, to conduct a survey and attempt to reach
a reasonable cross-section of the people by direct interview,
would be impossible. Therefore, the decision was made to
develop a questionnaire...." Niagara Report, op. cit., p.3.

mailed out generally across the region.[54]   While no figures
were provided, the results were apparently even more dis-
appointing in Eastern Ontario, with the report for this
region noting that "the response to the questionnaire was
inadequate to suggest that any reliability could be attached
to the results."[55]

Of course all of these reports were prepared under the
direction of, submitted to, and approved by the councils'
boards of directors. However the value of this procedure
depends upon such factors as the composition of the boards
and the councils themselves and the extent of municipal
participation, about which doubts were raised above. A
final judgment on the councils as grass roots spokesmen and
on their overall role in the regional development process
is reserved to the concluding chapter.

Evolution of Regional Policies

Notwithstanding the elaborate regional planning process,
the Government has been slow to adopt specific regional
policies. However, as outlined below, there has been an
increasing commitment to the concept of growth centres.

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[55] Eastern Ontario Report, op. cit., p.2.

A Growth Centre Approach

The Government's first policy statement on regional development, Design for Development, referred to a growth centre concept in only the most general terms. "Such an approach looks not only to the general land use, but also to the social and economic potential of a region and its centres, and concentrates on developing these centres in the interests of the region as a whole."[56] However, as the regional planning process unfolded there were several more explicit references to a growth centre approach. Thus, a Regional Development Branch statement at the end of 1967 noted that:[57]

> The Province is adapting to its own require-
> ments many features of the growth pole concept.
> In this concept, certain communities with
> definite growth potential are selected for
> particular attention, while other communities
> are encouraged to accept dormitory or service
> status. Thus, Provincial investments in water
> supply, sewage, hydro and other public facil-
> ities necessary to manufacturing and service
> activities will be encouraged only in selected
> "growth communities".

Two statements in 1968 further illustrate the Government's emphasis on growth centres.

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[56] Design for Development, op. cit., p.5.

[57] Regional Development Branch, Initial Policies and Strategies for Development, December 29th, 1967, p.12.

> In the plans which ultimately will be
> derived...particular emphasis will be
> placed upon provision of infrastructure
> in the growth poles and growth centres,
> and the provision of adequate commuting 58
> facilities to and from such centres.
>
> In developing plans for the Province we
> shall be particularly interested in the
> selection of appropriate growth centres
> and poles....Clearly, the functions of
> such growth points in regions of self-
> sustained growth will be to channel rather
> than stimulate growth. In the fluctuating
> and slow growth regions, the growth points 59
> may need to provide major stimulation.

Gradually the Government's concept of growth centres

became more sophisticated and three categories of primate,
60
linked and strategic growth centres were discerned. The
61
primate centres referred to the major metropolitan areas

and in economically-backward regions concentration on such

areas was seen as the best way to stimulate growth. Linked

58
Regional Development Branch, Approach to Plan,
August 12th, 1968, p.9.

59
Regional Development Branch, Ontario's Emerging
Programme of Regional Development, October 29th, 1968, p.8.

60
The fullest public exposition of these distinctions
is to be found in Thoman, op. cit., pp. 67-8.

61
Thoman (p.67) observes that "likely candidates for such
centres would be Toronto, London, Ottawa, Hamilton, Kitchener-
Waterloo, the Niagara Region, Windsor, Sudbury, North Bay,
Sault Ste. Marie and Thunder Bay."

centres were seen as areas at least partially dependent upon
a primate centre for economic support and thus not normally
more than 90 miles beyond a primate centre. They were expected
to play an important role in the decentralization of growth
from primate centres where this was desirable, thereby smooth-
ing out the geographic imbalance of population - one of the
major objectives of the regional development programme.
Both overspill and intercepter growth points were considered
to be linked centres.[62] Finally, strategic centres were
distinguished as centres not strongly tied to a primate
centre, but accessible to a large proportion of the population
in their region and capable of economic growth. By concen-
trating on key strategic centres it was hoped to offset the
poor performance of slow growth areas.

The only Phase Two reports so far released include
references to growth centres in their proposals. Thus, the
Report on Northwestern Ontario[63] designated a considerable
number of strategic centres and divided these into Type A
or Type B depending upon their potential for diversified

[62] Ibid., p.67

[63] Department of Treasury and Economics, Design for
Development: Northwestern Ontario Region, Phase 2: Policy
Recommendations, October 1970.

development. In the case of the Toronto-Centred Region
(which is examined in detail later in the study), the
equivalent of a Phase Two report[64] recommended the creation
of growth centres east and north of Metropolitan Toronto.[65]

It should be reiterated that the elaboration of a
growth centrepolicy has not been accompanied by the adoption
of specific policies designed to steer industrial development
to growth centres through differential grants or other in-
centives. Instead, the Ontario Government has emphasized
infrastructural investment and coordination of existing
programmes and policies. One of the few discernible attempts
by the Government specifically to relate existing policies to
the regional development programme is a 1969 paper by the
Regional Development Branch.[66] It briefly examined the
federal-provincial ARDA Programme, the Land Development Plan
of the Ontario Housing Corporation and the Equalization of

64
Department of Treasury and Economics, Design for
Development: The Toronto-Centred Region, May 1970.

65
Curiously, while these were obviously linked centres,
only the more general term growth centres was used in the
statement.

66
Regional Development Branch, The Relationship of the
Regional Development Programme to Growth Points, Diversification
and Programmes for Land Assembly, Agricultural Rehabilitation
and Development and The Equalization of Industrial Opportunity,
April 3rd, 1969.

Industrial Opportunity Programme of the Ontario Development

Corporation and concluded that "all three programmes can,

with minor adjustments, be nicely incorporated into the

final regional development framework."[67]   The analysis of

the three programmes which follows indicates that this state-

ment was unjustifiably optimistic and over-simplified.

ARDA in Ontario

As previously outlined,[68] ARDA was launched in 1961

to improve the use of farmland, increase the income and

living standards in rural areas and conserve cultivated

land. The primary responsibility for ARDA projects in

Ontario is vested in an ARDA Directorate established as a

corporate body shortly after Ontario signed its first ARDA

agreement (1961-65) with the Federal Government. This co-

ordinating agency consists of senior representatives of the

Departments of Agriculture and Food, Lands and Forests,

Municipal Affairs, Tourism and Information, Treasury and

Economics, Trade and Development and Energy and Resources

Management (re-named Environment in the summer of 1971),

plus the Dean of Agriculture of the University of Guelph.

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[67]
Ibid., p.8

[68]
Supra, Ch.7, pp. 341-5.

It is chaired by an Assistant Deputy Minister in the

Department of Agriculture and Food, serviced by the Produc-

tion and Rural Development Branch of that Department and

responsible to the Minister of Agriculture and Food.

Subject to the approval of the Lieutenant-Governor in

Council, the Directorate has extensive powers including:

(a) acquire or lease lands for the purpose of projects;

(b) equip and develop lands for projects;

(c) enter into agreements with persons for use of
things or services provided in projects;

(d) carry out projects in respect of which agreements
have been entered into by the Minister under this
Act; and

(e) to do such acts as are necessary or expedient for   69
the carrying out of its operations and undertakings.

Local ARDA boards were established in some thirty counties

and districts in the province. Broadly representative of the

interests of the rural economy, these boards were to recommend

programmes submitted at the local level to the ARDA Director-

ate. Normally, their membership has included the local

Agricultural Representative of the area who is supposed to

provide expert advice and guidance.

Thus, in theory, projects are initiated by the county

and district ARDA boards and after approval at the provincial

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69
    Statutes of Ontario 1962-63, An Act to Provide for the
Rehabilitation and Development of Agricultural Lands in Rural
Areas in Ontario, c.1, s.3.

level are forwarded to the Federal Government for final
approval. In practice, however, the local boards appear
to have played a relatively minor role in the development
and implementation of ARDA projects.[70]   In part this has
related to the weak legal basis of the boards and their
lack of power to commit their county or district to a
program. Another complicating factor has been the existence
of other regional organizations - in particular, regional
development councils, regional tourist councils and conser-
vation authorities - pursuing related activities, supported
by provincial finances (in the case of the first two bodies)
and with jurisdictions different than the local ARDA board
boundaries.

In any event, responsibility for initiating and carrying
out projects gradually shifted from the local boards to the
ARDA Directorate. Because programs financed by ARDA can be
operated by other agencies of the provincial government and
because the departments primarily responsible for rural
development were represented on the Directorate, the results
of this shift were fairly predictable. The Provincial Depart-
ments tended to view ARDA as an opportunity to obtain federal

[70]
Ontario Economic Council, ARDA in Ontario, 1967,
(unpublished report), p.6.

financial assistance for programmes already in existence.[71]

In fairness, it should be noted that this response was by

no means unique to Ontario. Commenting on the kind of

provincial programmes undertaken in the early years of ARDA,

McCrorie states that:[72]

> Conspicuously absent is any significant
> evidence of long range, comprehensive
> planning in respect of resource use and
> rural development. The emphasis, rather,
> was on ad hoc resource projects; projects
> that were relatively easy to design;
> projects that lent themselves to tapping
> the federal coffers with a minimum of effort
> and commitment.

However, the main concern here is not the propriety of

provincial uses of federal funds but the impact of ARDA

on Ontario's emerging regional development programme, described

below.

Between 1962 and 1967 ARDA expenditures in Ontario were

concentrated on Rural Water Development (over 50%) and Land-

Use and Farm Adjustment programmes (over 40%).[73] This emphasis

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[71] For example ARDA programmes for the alternative use of land provide for the acquisition of land for forestry purposes. Under this umbrella, the cost to a county or a conservation authority for the acquisition of lands for development as a county or authority forest may be reduced from 50 to 25%. A detailed breakdown of the ARDA programmes in Ontario is contained in Ontario Economic Council, ARDA in Ontario, op. cit.

[72] McCrorie, op. cit., p.44.

[73] Regional Development Branch, The Relationship of the Regional Development Programme, op. cit., Appendix B, p.4.

on ad hoc, land-based policies became increasingly in-appropriate in the light of evolving Federal and Provincial approaches to regional development in the second half of the 1960s. The broadened emphasis of the ARDA/FRED programme has been previously noted. Statements by the Honourable Jean Marchand have indicated that regional development strategies will lose much of their rural emphasis[74] and more recently there has been increasing federal emphasis on the role of growth centres in providing employment opportunities for unemployed persons including those displaced from agriculture.

The beginnings of this new emphasis were evident in the 1965-70 Federal-Ontario ARDA agreement. It drew attention to some important differences from the first agreement including:[75]

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[74]
"The answer to the depressed state of farming and fishing in the slow growth regions is to get people off farms and boats, so those who stay can make a reasonable living." Speech by Jean Marchand to the Atlantic Provinces Economic Council in Halifax, October 1968, quoted in Regional Development Branch, The Relationship of the Regional Development Programme, op.cit., Appendix B, p.5.

[75]
Department of Forestry, Federal-Provincial Rural Development Agreement, 1965-70, 1965, p.4.

> A new emphasis on the alleviation of poverty
> in rural areas by means of a global approach
> to resource development, embracing all the
> resources of disadvantaged rural areas in an
> effort to provide new income and employment
> opportunities and raise standards of living.

Within less than one year, the release of Design for

Development indicated the Ontario Government's tentative

commitment to a growth centre approach and to the formul-

ation of comprehensive development plans on the basis of

the ten economic regions of the province. In this changing

context Ontario's continuing reliance on land-based policies

became questionable, as indicated by the following statement.[76]

> To some extent this has involved the subsidizing
> of an industry whose marginal return is low,
> agriculture, while withholding funds from another
> industry in the same geographic locality, whose
> higher marginal return on every dollar invested
> could provide larger economics for the local
> community....Policy has been land oriented, when
> a people orientation was required by the 101,000
> rural poor of Ontario.

An additional problem, noted above, was that rural areas had

not been receiving the real increase in financial assistance

intended for them because the ARDA programme had been largely

seen as an opportunity to obtain federal assistance for rural

programmes already in existence. According to one assessment,

"Provincial government departments with strong interests in

such areas have been financially strengthened, while those

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[76] Regional Development Branch, The Relationship of the Regional Development Programme, op. cit., Appendix B, p.6.

working toward the expansion of rural economics through
the stimulation of industry at specific growth points
have not shown a corresponding financial solvency."[77]

Recent developments, while sketchy, indicate some
encouraging changes in ARDA, both in the emphasis of its
projects and in its relations with the emerging regional
development program. For example, April 1968 saw the
launching of an ARDA/FRED study of Northwestern Ontario
under joint federal-provincial support and supervision.
This study was essentially a pilot project for what became
the Phase One: Analysis reports of the regional planning
process. A 1969 study by the Regional Development Branch
felt this exercise was significant because "it is faithful
to the goals of both ARDA and the Regional Development
Programme."[78] The study observed that this and other recent
developments "indicate that the ARDA Directorate has rec-
ognized that past programmes have been too ad hoc, and cir-
cumscribed by rather narrow objectives."[79]

Deliberations of the Advisory Committee on Regional

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[77] Ibid., p.7.

[78] Regional Development Branch, The Regional Development
Programme, the Department of Regional Economic Expansion,
ARDA and the Canada Land Inventory, April 8th, 1969, p.4.

[79] Ibid., p.3.

Development reveal increasing efforts to redirect the ARDA

programme in Ontario to complement more fully regional

development. Central to this was the Committee's examination

and amendment of a paper prepared by the ARDA Directorate as

a guideline for the renewal of the federal-provincial ARDA

agreement in 1970. As might be expected, the Committee felt

that the ARDA programme was not sufficiently comprehensive

in approach, and should recognize the strong influence of

the urban sector and integrate rural programmes into overall

regional development.

The third ARDA agreement, 1970-75, reflected this

broadened emphasis. It provided for six types of programme

in Ontario including the provision of retraining and rehab-

ilitation assistance, and the development of alternative

income and employment opportunities for rural people.[80]   In

contrast to the land-based efforts of the earlier Agreements,

the new Agreement is more people-oriented. It specifically

notes that "the close coordination of the ARDA program and

the regional development program is....essential if the

objectives of this Rural Development Agreement are to be

realized."[81]

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[80]
For details of these programmes see Department of Regional
Economic Expansion and Department of Agriculture and Food,
Federal-Provincial Rural Development Agreement, 1970-75, 1970,
pp. 17, 19.

[81]
Ibid., p.4.

In summary, while ad hoc, expedient projects have
characterized ARDA efforts in Ontario, the broad flexible
provisions of the present 1970-75 agreement offer the
opportunity for ARDA activities to be integrated more ad-
equately within the Province's regional development programme.

Ontario Housing Corporation Programmes

A second relevant provincial programme cited by the
Regional Development Branch was the Land Development Plan
of the Ontario Housing Corporation. Particular emphasis was
given to the provision of housing lots. A Regional Develop-
ment Branch study indicated that over 70% of the Home Owner-
ship Made EASY (H.O.M.E.) lots allocated up to March 31st,
1969 were in or near the major urban centres of Toronto,
Ottawa and Windsor. However, this same study claimed that
"in the wholistic framework that regional development will
provide, it is to be expected that this distribution can
shift significantly away from the established urban centres
to the proposed growth points."[82]

While the provision of housing can obviously reinforce
regional development objectives, the necessary integration
of Ontario Housing Corporation activities cannot be taken for

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[82]
Regional Development Branch, The Relationship of the
Regional Development Programme, op. cit., p.5.

granted. In the past, the Corporation has displayed some
tendency toward unilateral action, as illustrated by the
following example from the Waterloo Area Local Government
Review Commission. The Waterloo Report noted the strong
protest of local authorities in August 1968 "when news broke
of Ontario Housing Corporation activity in the southern part
of Waterloo Township, north of Highway 401 and the Town of
Preston."[83] According to the Report:[84]

> As a consequence of this announcement (involving
> the acquisition of some 3,000 or more acres of
> rural land by the Ontario Housing Corporation,
> apparently without the prior knowledge of the
> municipality directly involved and those ad-
> jacent, and with apparently only limited con-
> sultation with other parts of the provincial
> government) the Commission felt compelled to
> re-open its hearings because of the strategic
> location of the project.

This is not to say that the Ontario Housing Corporation has
been alone in acting unilaterally. Nor does it suggest that
a re-direction of the Corporation's activities is impossible.
Past experience indicates, however, that specific attention
to this relationship may be necessary.

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[83]
Waterloo Report, op. cit., p.147.

[84]
Ibid., p.147.

Equalization of Industrial Opportunity Programme

The appropriateness for the emerging regional develop-
ment programme of the Ontario Development Corporation's
Equalization of Industrial Opportunity (E.I.O.) programme
is particularly questionable. It was over-generously
described by the Regional Development Branch as having
"objectives broadly similar to those of the regional develop-
ment programme."[85] However, the Branch went on to note that
the E.I.O. programme would benefit from a consistency which
the growth point principle could provide and concluded that
"the very basis of the Industrial Opportunity Programme
will require shifting from the current subsidization of
indebted small municipalities...to a concentration of growth
in economically viable centres which can best benefit the
whole region."[86]

Whatever its merits, the E.I.O. programme is clearly
incompatible with the growth centre emphasis of Ontario's
regional development programme. Like the former ADA pro-
gramme at the federal level it might be more accurately

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[85] Regional Development Branch, The Relationship of the
Regional Development Programme, op. cit., p.7.

[86] Ibid., p.7. This conclusion makes one wonder how the
Branch initially could have called the objectives of the E.I.O.
programme and the regional development programme "broadly
similar."

described as a quasi-welfare policy than a regional economic
policy. It is contended that the Ontario Development Cor-
poration could have used its funds more effectively by con-
centrating on a limited number of towns and cities with
growth potential. Instead, it has scattered its resources
widely and has rarely put enough subsidies into a municipality
to have a real economic impact. A report commissioned by the
Ontario Development Corporation itself stated that "we did
not find evidence of self-sustaining growth that has been
sparked by the ODC programme."[87]

Part of the problem is that more than half of the
municipalities designated under the E.I.O. programme have
been townships or towns with populations of less than 1,000
people.[88] These small municipalities do not have the infra-
structure necessary to sustain economic growth. Nor would
it be economic to provide this infrastructure in numerous
separate and scattered locations. With the Ontario Govern-
ment's increasing emphasis on a growth centre approach to

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[87]
Stevenson and Kellogg Limited, The Impact of the
Equalization of Industrial Opportunity Program, 1969, p.14.
It should be noted that 61% of the people interviewed felt
that more assistance would be required and that if grants
were withdrawn growth would stop, which further indicates
the lack of self-sustaining growth.

[88]
138 of the 250 municipalities designated were in this
category according to a report in the Globe and Mail, April 10th,
1971.

regional development, the Ontario Development Corporation's
preoccupation with small pockets of unemployment becomes
more and more curious. Apparently the Corporation considers
the Design for Development proposals" just recommendations...
not Government policy yet,"[89] and does not consider them
when it designates municipalities for the E.I.O. programme.
As a result, not only do the emerging growth centres lack
specific financial incentives to attract industry to them,
but they are in fact at a disadvantage because of the Ontario
Development Corporation financial assistance available to
designated municipalities.

However, it is understood that a major revision of
the E.I.O. programme will soon be complete. It will focus
on larger areas than at present and the growth centres
within them and will thus be more compatible with the regional
development programme.[90] This new emphasis is desirable and
considerably overdue.

Summary

In the almost six years since its inception, Ontario's
regional development programme has been characterized by

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[89]
Statement attributed to the Managing Director of the
Ontario Development Corporation, Globe and Mail, April 10th,
1971.

[90]
Interview, December 2nd, 1971.

the establishment of increasing inter-departmental adminis-
trative machinery and a rather drawn out process of preparing
general regional plans, with almost no specific new regional
policies. As regional development moves from the present
stage of elaborating plans to the implementation of these
plans, the adequacy of existing machinery and policy will
be increasingly tested. With this in mind and in an attempt
to gain greater insight into the regional development process,
the following chapter focuses on the area in which the exer-
cise is furthest advanced, the Toronto-Centred Region.

CHAPTER X

REGIONAL DEVELOPMENT IN THE TORONTO-CENTRED REGION

In origins, scope and elaboration, the planning of
the Toronto-Centred Region differs from the previously
described regional planning process initiated in the
province's ten economic regions in 1966. However, while
far from complete, the Toronto exercise represents the
most advanced example of regional development efforts in
Ontario. An examination of this experience should, there-
fore, provide a useful basis for assessing the likely
adequacy of existing administrative arrangements for the
pursuit of regional development. Moreover, as outlined
below, the experience of the Toronto-Centred Region is
likely to influence changes in the Government's approach to
regional development in the remainder of the province.

Background

The origins of the present planning initiative in the
Toronto area can be traced to the establishment of the
Metropolitan Toronto and Region Transportation Study (MTARTS)
in December 1962. The study was instituted by the Ontario
Government to recommend plans, policies and administrative
arrangements for transportation in a region extending north
to Barrie, west to Guelph and 100 miles along Lake Ontario

from Hamilton to Bowmanville for a total of 3,200 square
miles. The population of this MTARTS area had increased
from not quite 1.7 million in 1951 to 2.8 million in 1964[1]
and was expected to reach 4 million by 1980.

To undertake this study, an extensive committee
structure was developed representing all involved Ontario
Government agencies, the Municipality of Metropolitan Toronto
and the major transportation operators in the areas, as well
as outside experts. Overall direction was the responsibility
of an Executive Committee comprising the Ministers of Trans-
port (chairman), Municipal Affairs (vice-chairman), Economics
and Development and Highways and the Chairman of the Muni-
cipality of Metropolitan Toronto. The Executive Committee
was assisted by a Technical Advisory and Coordinating
Committee comprising senior officials from several provincial
departments and agencies, Metro Toronto and major transport
operators. Specific areas of study were under the direction
of sub-committees of senior officials supported by advisory
groups of officials and outside experts.

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[1]
Department of Municipal Affairs, Choices for a Growing
Region, Report of the Metropolitan Toronto and Region Trans-
portation Study, 1967, p.1.

As work progressed the study team recognized that guidelines for a transportation policy should be evolved within the context of an overall concept of regional development. To this end the emerging pattern of regional growth was examined and a number of concepts for development to the end of the century discerned.[2] This represented the first major recognition by the Provincial Government that planning for a transportation network should take place within the context of an overall regional plan. The results of this exercise were later published as the previously cited "Choices for a Growing Region". They took the form of two trends plans (the future pattern if existing policies were continued with two different population densities) and four goals plans which would alter the future development pattern. It was emphasized that the report was only the first step in the preparation of a regional plan. "The logical next step should be an in-depth evaluation of these concepts by those provincial agencies whose activities impinge upon regional development."[3]

By this time the MTARTS exercise had been overtaken by the province-wide regional planning activities initiated by the 1966 Design for Development statement. At the beginning of 1968 the completed but as yet unpublished "Choices

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[2]
Apparently the independent staff attached to MTARTS were largely responsible for initiating this broader exercise. Interview, December 2nd, 1971.

[3]
Department of Municipal Affairs, Choices, op.cit., p.2.

for a Growing Region" began to receive increasing attention from
the Advisory Committee on Regional Development. In general, the
Committee members were in favour of making public the alternative
choices and in agreement that acceptance of one of the choices
would provide a useful guide for Government departments.

As a result, in June 1968 the Government released "Choices
for a Growing Region" and invited comments from within government
by October 31st, 1968 and from outside groups by December 31st,
1968. This was followed (in August 1968) by the appointment of
a Goals Plan Study Committee to review the reactions to the
alternative goals and submit them to the Advisory Committee. The
new committee, consisting of officials from the same departments
represented on the Advisory Committee, was chaired by the Director
of the Regional Development Branch and serviced by that Branch.

The next several meetings of the Advisory Committee saw
discussion of reports from the Goals Plan Study Committee and a
growing conviction that a decision should be reached on one of
the MTARTS goals as soon as possible. On May 28th, 1969 the
Advisory Committee unanimously adopted the recommendation of
the Goals Plan Committee that MTARTS Goals Plan Two be accepted
immediately as a plan for intra-governmental decisions. In
briefest terms, Goals Plan Two called for a regional lakeshore
city with a second tier of cities along a northern transportation
corridor, separated by a Parkway Belt.[4]   As will be seen, the

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[4]
 Ibid., pp. 43-8.

emerging Toronto-Centred Region Plan is essentially an extension of this basic pattern.

By this time, the duties of the Goals Plan Study Committee had expanded. They were to assist the Advisory Committee in an interim development phase which called for the selection of a network of growth points and transportation and service corridors which appeared most logical for the MTARTS area for 1980 and to this end a Goals Plan inter-departmental task force was established. In addition, the Goals Plan Study Committee began to review and advise on other plans and proposals requiring the attention of the Advisory Committee, especially those with implications for the MTARTS area.

Notwithstanding the earlier agreement on Goals Plan Two, substantial elaboration and clarification were needed. The original plan had to be re-assessed in the light of conflicts created by Government programmes already in progress or committed and various changes which had taken place since the plan was originally prepared. Moreover, indications are that Regional Development Branch urged a greater degree of decentralization in the plan - a viewpoint which was partly reflected in subsequent refinements.

From MTARTS to the Toronto-Centred Region Plan

As this refinement process continued, there was apparently a growing conviction within the Government that "although the MTARTS study area was suitable for transportation planning,

it was not entirely appropriate for regional planning."[5]
In October 1969 the MTARTS area was enlarged to include an
arc containing Kitchener-Waterloo, Brantford, Midland,
Peterborough, and recreation areas to the north and north-
east.[6] This enlarged area entitled the Toronto-Centred
Region (henceforth TCR) became the focus of the continuing
regional planning exercise (see Map 7).

The Goals Planning task force remained the mechanism
of interdepartmental coordination and became particularly
involved in the identification of conflicts which would have
to be overcome to meet the objectives of the emerging devel-
opment concept. For example, there were impediments to
early delineation of the parkway belt; there were major
residential developments which didn't mesh well with the
desired regional framework; there were provincially financed
major servicing schemes supporting population concentrations
incompatible with the concept, and there were municipal
official plans which would foster incompatible development
unless amended. While indicating the difficulty of achieving
the desired goals, these examples also indicate the thorough-
ness of the Government's approach and the extent to which all

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[5] Government of Ontario, Design for Development: The Toronto-
Centred Region, Toronto, Queen's Printer, May 1970,p.1,(hereafter
TCR Plan).

[6] Ibid., p.1.
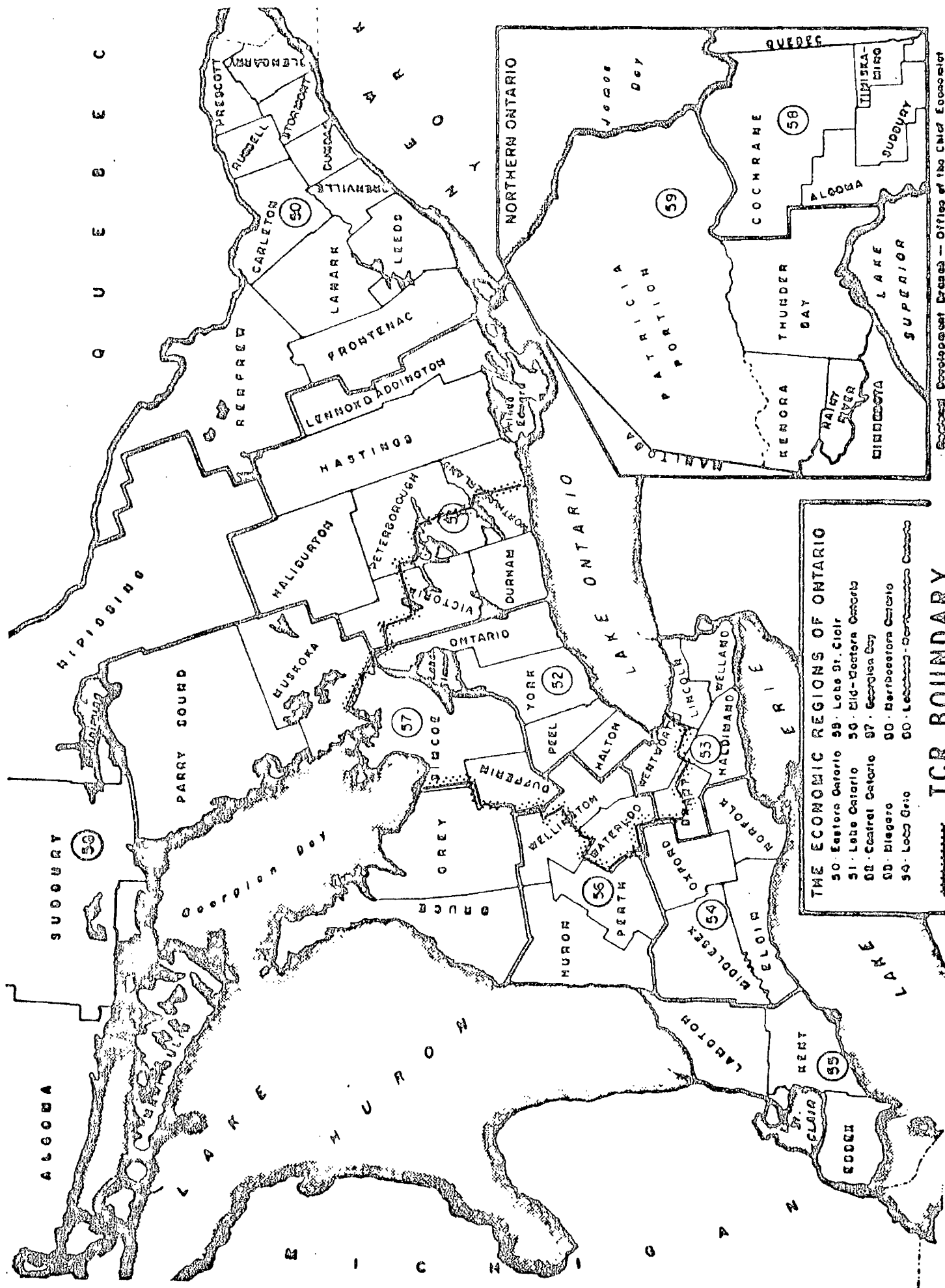
MAP 7

THE ECONOMIC REGIONS OF ONTARIO

50 - Eastern Ontario   58 - Lake St. Clair
51 - Lake Ontario   56 - Mid-Western Ontario
52 - Central Ontario   57 - Georgian Bay
53 - Niagara   59 - Northeastern Ontario
54 - Lake Erie   60 - Lake Superior-Northern Ontario

—— TCR BOUNDARY

relevant activities were being examined within the framework
of emerging guidelines.

By early 1970 the momentum of the regional development
programme, not only in the Toronto-Centred Region but else-
where in the province where Phase One: Analysis reports
were emerging, led to discussions about the adequacy of the
existing administrative machinery for inter-departmental
liaison. In April 1970 the Goals Plan Study Committee was
replaced[7] by two Liaison Committees with enlarged memberships,
ostensibly "to broaden the review committee structure."[8] The
Northern and Eastern Ontario Liaison Committee was to concern
itself with the area of the Northwestern, Northeastern and
Eastern economic regions, while the Central and Southwestern
Ontario Liaison Committee was assigned the remaining seven
regions, including the Toronto-Centred Region.[9] The member-
ship of these technical committees, which were chaired by
representatives of the Regional Development Branch was gradu-
ally extended to include every department and agency with an

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[7] In fact, the Goals Plan Study Committee had apparently
encountered increasing difficulties by the end of 1969 and the
new machinery was partly intended to give a fresh impetus to
inter-departmental cooperation.

[8] Thoman, op. cit., p.66.

[9] The Toronto-Centred Region is, of course, much larger
than the long-standing ten economic regions and embraces all
or part of five of them. (See Map 7, supra, p.458).

interest in the regional development programme.[10] Their

basic purpose was to review plans involving their areas

before they were submitted to the Advisory Committee -

essentially an extension of the duties which had been

increasingly given to the Goals Plan Study Committee.

The Toronto-Centred Region Plan

May 1970 saw the publication of Design for Development:

The Toronto Centred Region (hereafter referred to as the

TCR Plan). The report saw continued growth for the region

"as part of the Chicago-Detroit-Toronto-Montreal megalopolis

and as the financial, manufacturing, cultural and communi-

cations centre of Canada and especially of Ontario."[11] It

projected a population of 8 million for the region by the

year 2000, compared with 3.6 million in 1966. Within the

region, the report noted that growth is "suburbanizing"

primarily westward in a rather unstructured sprawl. It

noted that "within the commuting area surrounding Metropolitan

Toronto, quantities of land are being removed prematurely from

agricultural and recreational use."[12] At the same time, the

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10
According to Thoman, op. cit., p.66, "Each now contains more than twenty members...."

11
Ibid., p.2.

12
Ibid., p.2.

report discerned only modest growth to the north and east and observed that the strong thrust to the west detracted from "effective integration of the northern and eastern parts of the Province with the Toronto-Centred Region." [13]

The main feature of the report's recommended development policy was the development of an urbanized zone from Bowmanville to Hamilton of approximately 5.7 million by the year 2,000, consisting of a two-tiered arrangement of cities separated by a parkway belt of open space with mainly non-urban uses. [14] Secondly, the report called for the encouragement of growth in key places to the north (such as Barrie and Midland) and the east (such as Port Hope and Cobourg), "where there already exists an unused potential for development." [15] These were intended to be linked centres which would channel some of the growth from Metropolitan Toronto to other parts of the region. This point is made clear by the-then Director of the Regional Development Branch, who emphasizes that the principle of decentralization "was one of the key regional development additions

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[13]
   Ibid., p.2.

[14]
   This was essentially the same as the Goals Plan Two of MTARTS which had been previously adopted within the government as a guideline for decisions.

[15]
   TCR Plan, op. cit., p.3.

[16]

to Design for Development: The Toronto-Centred Region."

He draws particular attention to the fact that the

decentralization introduced in the TCR Plan differs

substantially from the decentralization proposed in

Goals Plan Four of MTARTS, which envisaged the devel-

opment of four centres to the north and west[17] where

growth was already rapid and quite spontaneous. Instead,

the decentralization in the TCR Plan will attempt to re-

direct growth to lagging areas of the region.

In a statement accompanying the release of the

TCR Plan, the Prime Minister of Ontario stated that the

plan "will be used as a guideline by all provincial

departments and agencies in their planning and decision-

making which will have an effect on the Region."[18] Much

the same point was made by the Minister of Municipal

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[16]
Thoman, op. cit., p.77. This supports the conten-
tion, advanced above, that during the preparation of the
Toronto-Centred Region Plan the Regional Development
Branch pushed for, and were partly successful in obtain-
ing, greater decentralization.

[17]
Department of Municipal Affairs, Choices, op.cit.,
pp. 51-4.

[18]
Honourable John Robarts, Opening Remarks, Presen-
tation of Design for Development: The Toronto-Centred
Region, May 5th, 1970, pp.11-12.

Affairs:[19]

> The various provincial departments and
> agencies such as O.W.R.C., Ontario Hydro,
> Department of Highways, Ontario Housing
> Corporation and Ontario Development Cor-
> poration will have to recognize the devel-
> opment policies for the region and to adjust
> their plans and programmes to conform to
> them.

He also informed municipalities that:[20]

> The Province intends to use this Concept
> as a set of reference points in consider-
> ing official plans official plan amendments,
> proposals for subdividing land, and any other
> applications submitted for approval. It
> would seem reasonable to expect all such
> proposals to be consistent with the Regional
> Development Concept.

Refinement of the Plan

The follow-up to the TCR Plan was assigned to the
recently established Central and Southwestern Liaison
Committee. Five inter-departmental task forces were
established to carry out investigations under the directions
of the Committee. Three of these related specifically to
the TCR, namely a Transportation Task Force to assist the
Department of Highways to prepare a document relating to
the TCR Plan, a Parkway Belt Task Force to define the limits
of the parkway and advise on the acquisition of land and a

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[19] Honourable W. Darcy McKeough, Address at Presentation
of Design for Development: The Toronto-Centred Region, May 5th,
1970, pp.6-7.

[20] Ibid., p.6.

Task Force on the refinement of Population Targets to advise the Ontario Water Resources Commission on population guidelines for planning future water supply in South Peel and Central York.

The next several months saw intensive activities in refining the TCR Plan. The general pattern involved reports and recommendations from the task forces which were considered by the Central and Southwestern Liaison Committee, then referred to the Advisory Committee on Regional Development and finally to the Cabinet Committee on Policy Development. Attention was focused on defining the parkway belt, deciding on the location of a proposed 500 KV transmission line for the Ontario Hydro and refining population targets. The latter indicated that in South Peel the normal urban infilling together with major development proposals authorized by existing amendments would cause the present population of 210,000 to grow to about 961,000 by the turn of the century. To restrain development to a level compatible with TCR policy, the task force recommended that 4,700 residential acres and 600 industrial acres of existing plan amendments be rescinded.

By its October 28th, 1970 meeting, the Advisory Committee decided that in future it would concentrate on items of high priority. All other studies, technical

material and questions, progress reports, etc. would go directly to the Liaison Committees. The Advisory Committee's next meeting saw a report assessing the briefs which had been received in response to the Toronto-Centred Region Plan. Briefly, about one-third of the briefs were in favour of the Plan, one-third neutral and one-third against the Plan, with local municipalities generally expressing stronger support for the concept than did other respondents.

January 1971 saw prolonged discussion by the Advisory Committee of the best means of speeding up and completing the refinement of the TCR concept. Discussion centred on a proposal to second personnel from various departments on a full time basis to task forces in the Regional Development Branch. Some reservations were expressed, notably that the seconded individual's first loyalty would remain with his original department. However, the Advisory Committee agreed in principle that an inter-departmental task force be seconded to the Regional Development Branch on a full time basis. It would be responsible for producing a "hardened concept" of the TCR Plan.

Still in January 1971, the Advisory Committee were informed that the Federal Government, particularly through

the Secretary of State for Housing and Urban Affairs,
wished to become involved in the planning of the Toronto-
Centred Region. The Committee acknowledged the importance
of federal cooperation and agreed that representatives of
the Federal Government could be invited as non-voting
members of the Central and Southwestern Ontario Liaison
Committee and some of its task forces. The need for co-
operation from the federal level is particularly evident
in connection with the location of a proposed new airport
for Ontario, briefly outlined below.

Since well before the release of the TCR Plan the
Federal Department of Transport has been planning the
location of a new international airport in Ontario. The
TCR Plan noted that the location of this airport "would
be of most crucial significance to the future spatial
pattern of the Toronto-Centred Region."[21] It further
stated that: "The integrity of the Development Concept
requires that a site be chosen which does not add such a
powerful magnet for development in a location which conflicts
with the strategic components of the plan."[22]

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[21]
TCR Plan, op. cit., p.23.

[22]
Ibid., p.23.

In effect this meant that an airport located to the north
or east of Toronto would be a powerful stimulant to the
desired expansion of these areas while an airport site
to the west would reinforce present growth patterns and
thwart the objectives of the plan. While there has been
widespread speculation about the airport's location, most
of it concerning sites inimical to the TCR Plan, [23] the
Federal Government has not yet made a decision.[*]

. The Ontario Government has apparently been in close
contact with the Federal Government on this question but
the fact remains that the decision is exclusively federal
and yet it may have a very substantial impact on the
Province's regional development efforts. Interestingly,
senior Ontario officials indicate that discussions have
continued to involve primarily the Federal Department of
Transport even though it was expected that the new Ministry
of Housing and Urban Affairs would have an increasing role
because of the obvious significance of an airport location
for urban policy. This appears to confirm the view, men-
tioned above, that the new Ministry is experiencing some
difficulties establishing itself.

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[23]
For example, in early 1971 it was widely reported
that the Federal Government favoured Orangeville, a community
some 50 miles northwest of Toronto; see Toronto Star,
February 20th, 1971.

[*]At the beginning of March 1972 it was announced that the
new airport would be located north-east of Toronto in Pickering
Township, a site which appears to be compatible with the devel-
opment pattern desired by the TCR Plan.

The status of the TCR Plan was strengthened when the Government publicly endorsed its main principles in the 1971 Budget:[24]

> ...the Government has decided to endorse the principles of this basic plan as the guideline for Provincial decision-making in the Toronto-Centred Region. We intend to apply the main elements of the Toronto-Centred Region concept in assessing and deciding on proposals submitted by municipalities. This re-affirmation of Provincial intent should help to resolve a number of outstanding conflicts which have emerged since the Toronto-Centred Region concept was announced.

In the meantime, the refinement of the TCR Plan continued. The Government's commitment to the plan is illustrated by the experience of defining population targets in South Peel. The April 29th, 1971 meeting of the Advisory Committee saw a report from the Central and Southwestern Ontario Liaison Committee which noted that the Ontario Water Resources Commission was involved in a construction programme of sewage and water systems for five South Peel municipalities (the Towns of Mississauga, Port Credit, Streetsville and Brampton and the Township of Chinquacousy), and that this programme had begun on the assumption of a growth in municipal population to 1.6 million by the year 2,000. Reminding the Advisory Committee that a task force

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[24] Honourable W. Darcy McKeough, 1971 Budget, Ontario, presented in the Legislative Assembly of Ontario, April 26th, 1971, p.23.

had determined that conforming to the TCR Plan would require limiting South Peel to a population of approximately 750,000, the Liaison Committee report emphasized that a decision and a Government directive to the Ontario Water Resources Commission were urgently needed if the construction of facilities was to be adjusted in line with the smaller population target. While one member of the Advisory Committee pointed out that to hold the population to 750,000 implied rescinding a number of official plan amendments already approved, for which there was no legislative authority, the Committee were in agreement that the integrity of the TCR concept was at stake and that there was little room for compromise. It was decided to compile all relevant information for a presentation to Cabinet as soon as possible.

By the next meeting of the Advisory Committee, May 27th, 1971, it was reported that the Cabinet had agreed that the population guideline for the South Peel Servicing Scheme would be 961,000, which was based on the population allowed by the official plans and amendments already approved.[25]

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[25]
By this time, as described above, William Davis had succeeded John Roberts as Prime Minister and a Cabinet Committee on Economic and Regional Development had been established. However, it is difficult to say whether these changes or the urgency of the situation had the most influence on a decision being made.

While this figure was 200,000 in excess of the target suggested by the above-noted task force, it represented a very substantial reduction of the municipalities' aspirations of 1.6 million. Moreover, consideration was to be given to the redistribution of some of the proposed developments in South Peel to conform to the TCR Plan as much as possible.

During this same meeting it was reported that decisions had been taken concerning the alignment of the 500KV Hydro transmission line and the Burlington section of the Parkway Belt. The Advisory Committee members were asked to examine the extent to which the Ontario Government can structure population growth as it sees fit rather than having this dictated by municipal official plans. The Committee were also informed that delays in the secondment of personnel to the TCR refinement task force (agreed to in January 1971) were causing the refinement process to fall behind schedule.

July 8th, 1971 saw a special meeting of the Advisory Committee to deal with a number of TCR conflicts which arose primarily from municipal aspirations and private developers' proposals which differed from the objectives of the TCR Plan. The following month, more than a year after the publication of the TCR Plan, a status report was released.

Entitled Design for Development: A Status Report

on the Toronto-Centred Region (hereafter TCR Status

Report), this document was issued by the Treasurer of

Ontario on August 17th, 1971. Noting the widespread

public response to the publication of the TCR Plan,[26]

the Status Report indicated that while the task of

refinement was by no means complete, it was felt that

there were sufficient developments to warrant an interim

statement. Certain modifications to Zone I (the urbanized

zone of two-tiered cities) were outlined and there was

some discussion of the Parkway Belt, although the Treasurer

of Ontario, in a statement accompanying the report, observed

that "further details...are not complete enough for public

disclosure at this time."[27] The report gave particular

attention to population allocation, citing that "the Ontario

Water Resources Commission was either planning or actively

investigating the possibilities of major water and sewage

servicing projects."[28] In this connection, it stipulated

population allocations of 950,000, 400,000 and 15,000 -

20,000 for the South Peel, Central York and Woodbridge

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[26] "We have received close to 200 briefs and submissions from regional development councils, municipalities, associations and private citizens." TCR Status Report, p.3.

[27] Honourable W. Darcy McKeough, The Plan Begins to Take Shape, August 17th, 1971, p.7.

[28] TCR Status Report, p.11.

areas respectively. This report also noted that a major element of the development strategy involved the stimulation of two growth areas - Barrie and Midland to the north and Port Hope-Cobourg to the east. To advise on appropriate development policies for these areas the Government called for a municipal task force for each area which would include representatives of the municipalities and the Regional Development Councils as well as the Provincial Government.

While there were no further ministerial statements on the Toronto-Centred Region in 1971 inter-departmental efforts continued the refinement process. Indeed, the Provincial Treasurer has indicated that the elaboration of the TCR Plan has been much more time-consuming than expected and as a result the regional development programme is lagging in most other areas of the province.[29] Attention increasingly focused on the methods to be used to implement the emerging plan - a question of particular interest to this study.

In particular, consideration has been given to the most appropriate means of resolving conflicts between provincial and municipal plans. While it is clear that municipal plans must be brought into conformity with the

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[29]
Honourable W. Darcy McKeough, The Provincial Regional Development Programme, A Speech to the Ontario Municipal Association, August 23rd, 1971, p.2.

Province's planning, how is this to be done? To require
municipalities to amend their plans at once and make them
complementary to the TCR Plan is in one sense the ideal
solution, but such a step may not be practical and would
appear arbitrary in view of the strong tradition of local
autonomy in Ontario. While amendments to the Planning Act
will probably be necessary to ensure the elimination of
major conflicts, it is likely that the Province will take
a gradual approach of seeking conformity in municipal
plans over a period of years, largely through requiring
future amendments to official plans to conform to the
TCR Plan. This was essentially the approach taken in
South Peel, described above, where the potential growth
allowed for in approved municipal plans was accepted rather
than rescinding approvals already given. Instead emphasis
was placed on holding the population increase to this amount
and redistributing some of the proposed developments in
South Peel to conform to the TCR Plan as much as possible.

Other methods of implementation discussed included
the allocation of provincial services to encourage devel-
opment where proposed in the Province's plans, the offering
of incentives to attract certain kinds of development in
selected locations in conformity with the plan and the
possible contribution of emerging regional governments,

discussed below, in carrying out the municipal share of responsibility for regional development. Joint area planning boards were to be considered as an interim measure in areas without regional government.

Summary

By the end of 1971 the TCR Plan had taken shape and further refinements were underway. Without analyzing the logic or merits of the Plan's recommendations, which are more properly the preserve of the planner and the economist, several comments are in order. It is clear that the elaboration of the TCR Plan has involved increasing inter-departmental committees and task forces. While much of this liaison among Provincial bodies is undoubtedly beneficial (a point returned to below) there may be limits especially in terms of the time involved. The attempt to go one step further and second a permanent inter-departmental task force to the Regional Development Branch has also encountered problems. This suggests that consideration should be given to some re-grouping and consolidation of Provincial responsibilities so as to reduce the reliance on inter-departmental machinery.

It is also apparent that the specific means to be used to implement the TCR Plan are still largely unclear.

While reference has been made to financial incentives,
presumably through a revision of the Ontario Development
Corporation's incentive programmes, the nature and focus
of such incentives is still unknown. Nor is it clear
how necessary coordination among municipalities and
between municipalities and the Provincial Government will
be achieved. The eventual establishment of regional
governments throughout the Toronto-Centred Region will
not, of itself, resolve these problems. It is true that
the existence of a few large municipalities might simplify
the Province's contacts with local government and it is
likely that new regional governments would be required to
prepare regional official plans in conformity with the
TCR Plan. Even if this is the case some mechanism will
be required to foster coordination among the regional
governments themselves. Finally, the roles of the regional
advisory boards and regional development councils encom-
passed by the TCR Plan are far from clear. While they have
had some involvement in the elaboration of plans, their
future roles, especially if regional governments emerge
on a widespread basis, appear unsettled.

A final assessment of the adequacy of administrative
arrangements for pursuing regional development in Ontario
is attempted in the following chapter.

CHAPTER XI

CONCLUSIONS: THE ADEQUACY OF ADMINISTRATIVE ARRANGEMENTS

While the regional development exercise in Ontario is
far from complete it should be possible to offer some con-
clusions about the adequacy of administrative arrangements
during the period under study and the likely adequacy of
these arrangements in the implementation of regional plans
in the 1970s. The assessment will be based on the distinction
(first made in the Introduction to this study) between spatial
fragmentation, the division of responsibilities among tiers,
and functional fragmentation, the division of responsibilities
among executive bodies within a single tier. Therefore,
federal-provincial and then provincial-municipal administrative
relations will first be considered, followed by an examination
of administrative arrangements within the Ontario Government.

Federal-Ontario Relations

There has been only limited Federal-Ontario contact
in the context of regional development and almost no coordin-
ating or liaison machinery of any permanent nature. As
indicated above, the major regional programmes of the Federal
Government in the 1960s, with the notable exception of ARDA,
were conceived and implemented unilaterally. Recent changes
at the federal level, particularly the establishment of the
Department of Regional Economic Expansion and the Ministry

of Housing and Urban Affairs may change this pattern but so far there is little evidence that this has happened. Part of the explanation is that DREE is pre-occupied with other areas of Canada while the Ministry of Housing and Urban Affairs has yet to consolidate its own position within the Federal Government.

In May 1971 there was a special meeting between Ontario Government officials and representatives of a number of Federal bodies including DREE, Housing and Urban Affairs and the Treasury Board. Ontario's regional development programme was outlined in some detail, and a number of questions addressed to the Federal officials concerning the compatibility of some of their programmes and the means to achieve improved federal-provincial cooperation and co-ordination. However, the Federal Government response to this meeting was apparently non-committal and there has been little follow-up.[1]

On a major issue there may be special inter-governmental machinery but much of the contact involves individual line departments on an ad hoc basis. Thus, in the case of the airport question there was a technical committee of officials at one stage but for the most part discussions have taken

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[1] Interview, December 2nd, 1971.

place through individual meetings between Ontario Govern-

ment officials and federal officials, primarily from the

Department of Transport.[2]

While Federal-Ontario contact in relation to regional

development will become increasingly important it is

difficult to see permanent federal-provincial machinery

except on an advisory basis given the constitutional position

of the two levels of government. The Federal-Provincial

Affairs Secretariat[3] of the Department of Treasury and

Economics might be directed to give special attention to

inter-governmental relations in the context of regional

development. To some extent, however, improved contacts

are dependent upon the clarification of responsibilities

within the Federal Government, especially the roles of

DREE and the Ministry of Housing and Urban Affairs.

Ontario - Municipal Relations

It is difficult to assess the adequacy of administrative

arrangements between the Province and municipalities and among

municipalities themselves because the regional development

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[2] Interview, December 2nd, 1971.

[3] Established in 1966 to advise on constitutional matters, cultural and linguistic questions and the machinery of inter-governmental relations.

programme has not yet advanced far enough. In particular
there has been no experience with efforts to implement a
regional plan which is the most revealing test of the
adequacy of administrative machinery. However, it would
appear that municipalities have not played a significant
part in the elaboration of the regional development pro-
gramme - in spite of their apparent involvement through
the regional development councils, a point returned to below.
Moreover, because of their responsibilities for infrastructure
and the relevance of their planning and industrial promotion
policies, the activities of municipalities will have to be
integrated within the emerging regional development plans.
As will be argued below, at the present time there does not
appear to be adequate administrative machinery to achieve
this integration.

Of particular interest in any discussion of local
government machinery is the emergence of various regional
governments across the Province and their likely role in
the regional development programme. In over-simplified
terms the new approach can be described as a modified and
considerably strengthened county system. In all instances
so far the reformed structure has contained two tiers, with
the upper (regional) tier closely paralleling the boundaries
of one or more counties. All or major responsibility for

such functions as capital borrowing, planning, roads, water supply and sewage disposal, public transit, parks and health and welfare services have been vested in this upper tier unit. At the same time, authority has been more directly concentrated under the regional council, with planning boards and suburban roads commissions in particular being abolished. The lower tier units in the structure have been formed by a grouping and consolidation of constituent municipalities, including cities. Thus, the new regional governments differ from the old county system in only two respects, both significant. First the upper tier unit has much stronger powers than those exercised by county government and secondly, the cities form part of the two tier structure, whereas they are separate entities under the county system.

After a somewhat piece-meal approach, in which individual Local Government Review Commissions were established to examine the adequacy of the local government system in several areas of the province, a Government policy statement in late 1968[4] set down a number of criteria which

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4
Honourable W. Darcy McKeough, Design for Development, Phase Two, Statement to the Legislative Assembly, December 2nd, 1968.

would guide the designing of regional governments, and
attempted to present a schedule for the ongoing reform
programme. By the end of 1971 reorganized local govern-
ments had been established in several areas (see Map 8)
and studies undertaken in a number of others, primarily
in urbanized south-central and south-western Ontario.

However, the main concern of this study is not the
regional government programme itself but the relationship
between this programme and the regional development pro-
gramme. An examination of Government statements over
several years indicates that the nature of this relation-
ship has changed considerably.

Regional Government and Regional Development

If the original Design for Development is taken as
an arbitrary but appropriate starting point, there appears
to be very little relationship between regional develop-
ment and regional government. Thus:[5]

> It must be emphasized that this statement
> is concerned with regional development and
> not regional government. Any regional dev-
> elopment structures created by this Govern-
> ment will be such that they will not disturb
> the existing power and authority of the
> municipal and county councils within the
> regions. Great caution has been exercised
> to avoid the imposition of new forms of
> government.

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[5] Design for Development, op. cit., p.7.

MAP 8
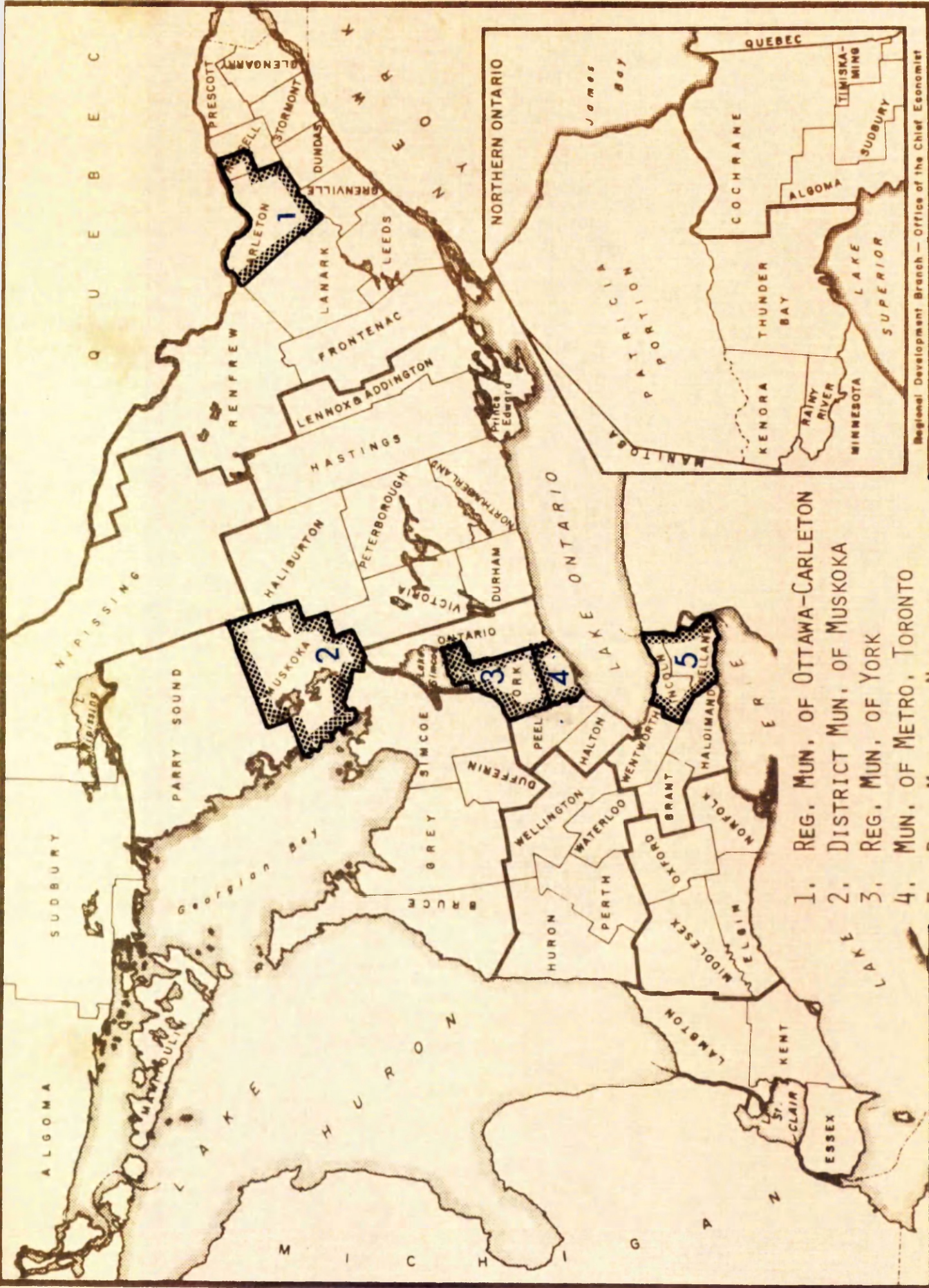
1. REG. MUN. OF OTTAWA-CARLETON
2. DISTRICT MUN. OF MUSKOKA
3. REG. MUN. OF YORK
4. MUN. OF METRO. TORONTO
5. REG. MUN. OF NIAGARA

However, immediately afterward, this statement hinted
at a possible relationship between the two programmes. In
its words:[6]

> Studies are now being conducted in certain
> areas of the province which could lead to
> recommendations for adjustment in local area
> government. The implementation of our region-
> al development policy will in no way inter-
> fere with such considerations of area govern-
> ment, but rather, could well lay the groundwork
> for changes which might eventually be appropri-
> ate.

In a major statement by the Prime Minister of Ontario
toward the end of 1968, the hint of a possible relationship
had been replaced by a specific statement that the two
programmes were closely related.[7]

> For some time ......the Government of Ontario
> has been engaged in planning a closer relation-
> ship of regional economic development and the
> structure of local government....They are of
> course inter-related. We have now reached the
> point where both must be carried forward
> together, in concert with one another, in a
> single unified policy.

It is interesting to speculate on the rationale behind
the Prime Minister's assertion that the point had now been
reached when the two programmes must be integrated. Was the

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[6]
Ibid., p.27.

[7]
Honourable John Robarts, Design for Development, Phase
Two, Statement to the Legislative Assembly, November 28th,
1968, p.2.

imminence of the previously mentioned statement on regional
government (delivered by the Minister of Municipal Affairs
on December 2nd) the reason for this assertion? The
subsequent combining of the two speeches (of the Prime
Minister and the Minister of Municipal Affairs) under the
title of Design for Development, Phase Two has given the
impression of a single statement which simply continued
the policy initiative begun in 1966 with the original Design
for Development. However, it appears that the two programmes
were specifically linked at the end of 1968 primarily in
response to the major initiative in the regional government
programme.

Whatever the underlying reasons, the relationship
between the two programmes, now specifically acknowledged,
was still far from clear. Apparently the key to linking the
programmes was the concept of the urban-centred region. As
[8]
the Prime Minister expressed it:

> One of the challenges in establishing our regional
> development plans will be to select those urban
> centres - both large and small - which will be
> appropriate growth points for the type of region
> in which the centre is located. Having reached
> this stage (Mr. Speaker) we have brought together
> two separate streams of government action....I am
> sure you will agree that the delineation of region-
> al governments will, in all likelihood, be centred
> around these urban centred growth points.

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[8]
Ibid., p.6.

The significance of the urban growth point was also stressed in a 1969 statement by the Director of the Regional Development Branch.[9]

> By itself, the Regional Development Program does not have the political means, especially at sub-provincial levels, to implement these broad objectives, and neither does it have the responsibility or the capacity to translate these broad objectives into suitable localized objectives. To the degree that regional development and regional government overlap, this implementation is appreciably a responsibility of local and regional government, functioning in liaison with the Department of Municipal Affairs. In this connection, one of the most vital areas of overlap of interest is in the growth point principle. To be workable, a growth point must distribute tax benefits over an area much wider than the municipality of the growth point itself. Units of regional government, where these are urban centred, can accomplish this objective.

Much the same point was made in a more recent statement by a senior official of the Department of Municipal Affairs:[10]

> These (regional development) plans will indicate the urban communities where growth can be encouraged or initiated through government policies. This concept has very significant structural implications for local government. In brief, the

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9
    Richard S. Thoman, Speech to the Ontario Regional Development Council Annual Meeting, June 1969, p.7.

10
    S. J. Clasky, Background to the Development of Regional Government in Ontario, a paper delivered to the Conference on Regional Government, University of Windsor, February 14th, 1970, pp. 16 and 22. Mr. Clasky has since succeeded Dr.Thoman as Director of the Regional Development Branch.

> economic growth generated in an urban
> community will be of real benefit to the
> surrounding area only if there is a close
> structural tie between all local govern-
> ments in the region surrounding the growth
> centre.....Wherever possible, the urban
> centre or centres around which a regional
> government is built will be the growth
> point as designated by the regional plan.

During this same period, a number of Government state-

ments commented on the need for reconciling the boundaries

of economic regions and regional government areas. Thus,

the Provincial Treasurer, stressing that regional govern-

ment and regional development fit together as "hand-in-glove",

noted that "as more sections of the province request and

establish regional governments, our development councils will

be reshaped if necessary to embrace two or more of the larger

units."[11]

A statement from the Regional Development Branch was

more explicit. Urging that regional government units be

established as soon as possible it went on to explain:[12]

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[11]
    Honourable Charles MacNaughton, Address to the Mid-
western Ontario Regional Development Council and the Mid-
western Regional Tourist Council, November 26th, 1969.

[12]
    Regional Development Branch, Regional Development in
Ontario, September 8th, 1969, pp. 14-15.

> The reason for this urgency is that
> regional development boundaries should
> coincide with regional government boun-
> daries. If existing practice continues,
> units of regional government will be
> considerably smaller than the minimum
> size needed for regional development.
> Therefore, it is very possible that a
> development region will consist geo-
> graphically of a multiple of several
> units - from two to five - of individual
> regional governments.....In practice,
> therefore, future adjustments in our
> planning regions can be expected to occur,
> especially in view of the needs of new
> units of regional government.

What general conclusions can be drawn about the nature

of the relationship between the regional development and

regional government programmes on the basis of the above

questions? It is anticipated that the elaboration of

regional development plans will provide useful guidelines

for the restructuring of local government. Urban centres

are to be the common factor, providing the growth centres

for the regional development programmes and the govern-

ment headquarters for the enlarged local government units.

Finally, it is intended that adjustments be made where

necessary so that the boundaries of each economic region

are coterminous with the outside boundaries of some com-

bination of regional governments.

However promising this may sound, it should be noted

that at least until very recently there has been little

integration of the two programmes. In large part this was
simply because the regional development programme has not
been sufficiently advanced to provide the detailed infor-
mation intended as a guideline for the restructuring of
local government.[13]

As a former Research Officer for the Hamilton-
Burlington-Wentworth Local Government Review Commission,
the writer has first-hand knowledge of the significance
for the regional government exercise of this lack of region-
al development goals. One of the most important questions
facing the Commission was the orientation of the Town of
Burlington. Much consideration was given to the ties,
present and anticipated, between this community and the
Hamilton-Wentworth area and its ties to the east in Peel
and Halton counties. Obviously, it would have been ex-
tremely helpful for the Commission's deliberations had a
specific plan for the future development of the area involved -
such as the present Toronto-Centred Region Plan - existed
at that time.

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[13]
There has been an attempt to overcome this problem in
both the Oshawa Area Planning and Development Study (OAPADS)
and the Haldimand-Norfolk Study, where recommendations for
local government reorganization are being evolved after an
analysis of the economic base and likely future development
of the area. However OAPADS has been wound up without agree-
ment being reached on final recommendations and the Haldimand-
Norfolk Study has not yet been completed, so it is difficult
to measure the effectiveness of this approach.

One specific example, also involving the Town of
Burlington, appears to illustrate well the shortcomings
of reorganizing local government boundaries in advance
of clear guidelines on the pattern of future physical and
economic development. Largely because of a strong orien-
tation towards the Town of Milton, the Commission recomm-
ended that part of the northern, rural portion of Burlington
be joined with Milton as one unit of whatever restructured
local government system eventually takes place in Peel-Halton.[14]
Clearly this recommendation will have to be re-examined in
the light of the Toronto-Centred Region Plan and the proposed
Parkway Belt which extends through the northern part of
Burlington.

It is not suggested that local government reform should
have been postponed until the regional development programme
was further advanced. It would be difficult enough to dev-
elop a theoretically perfect sequencing of the two programmes
let alone hope to achieve such integration in practice. In
any event there were many other compelling reasons for push-
ing on with the restructuring of local government. The only
point made here is that the timing of the two programmes has,
until very recently, prevented the development of any signif-
icant relationship.

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[14]
    Hamilton-Burlington-Wentworth Local Government Review,
Report and Recommendations, 1969, pp.51-4.

In more recent statements the Government has continued to assert a major role for regional governments in the implementation of regional development. For example, in a statement accompanying the presentation of the TCR Plan in May 1970, the Minister of Municipal Affairs voiced his expectation that a strong system of regional governments would develop in much of the Toronto-Centred Region in the near future. He explained that the new regional municipalities would be required to prepare official plans within a specified time period and that "official plans for regional municipalities in this region will not, of course, be approved unless they conform to the policies enunciated for the Toronto-Centred Region."[15] He further indicated that:[16]

> Once adopted, the regional official plans will require that all local municipal official plans and zoning by-laws be brought into conformity with the regional plan......
> In effect, under this system we will have a hierarchy of plans - that of the Province, the regional municipality and the local municipality. As we go down this hierarchy, each level of planning will be more detailed than the plan prepared above.

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[15] McKeough, May 5th Address at TCR Plan Presentation, op. cit., p.9.

[16] Ibid., p.9.

The Minister acknowledged that portions of the Toronto-
Centred Region would not have regional governments in the
near future but suggested that some consolidation of small
municipalities might occur and that joint planning boards
could improve municipal planning. As previously mentioned,[17]
recent discussions concerning implementation of the TCR Plan
have also emphasized the establishment of a network of
regional governments with joint planning boards as an interim
measure.

While the proposed approach has merit, several uncer-
tainties remain. On the positive side, the requirements
concerning the preparation of official plans by the regional
governments should resolve the dilemma of how to reconcile
provincial and municipal planning aspirations. However, past
experience does not suggest that joint planning boards will
provide effective machinery for areas without regional govern-
ments. Moreover, if the regional development programme con-
tinues to be based on areas as large as the present ten
economic regions, some mechanism for ensuring coordination
between the three to five regional governments which would
exist within an economic region would still be required. This
raises the question of the future role of the regional develop-
ment councils, to which we now turn our attention.

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[17] Supra. p.474.

Regional Development Councils

Notwithstanding Government statements to the contrary, the regional development councils do not appear to have played a significant part in the regional development process. Much of the difficulty, one suspects, is that the Ontario Government has been unable to make up its own mind about the role of the councils. From the outset, it appears to have been somewhat ambivalent. For example, when the decision was taken to make the regional development councils an integral part of the regional development process,[17] why were changes not made to strengthen them? As previously indicated, apart from a slight increase in provincial grants the only change was a new name. In view of the weaknesses of the old regional development associations - which presumably the Government was as aware of as anyone - this seems a curious, rather half-hearted step.

In the intervening five years, the Government appears to have taken the position that by continually stressing the importance of the councils, by proclaiming them the legitimate spokesmen for their regions, their status and influence would

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[17] While documentation is not possible there is considerable evidence to suggest that serious consideration was given to abolishing the regional development associations at the time the regional development programme was launched. Indeed, this question is probably still alive.

inevitably increase. In other words there appeared to be
an expectation that if the councils were called the true
voice of the region often enough they would become just
that.[18]   Thus numerous statements since Design for Devel-
opment have reiterated and further emphasized the vital
advisory role of the councils. Often the role was expressed
in vague and even confusing terms. For example, a 1968
statement by the Regional Development Branch called on the
councils to "act as coordinating bodies among units of
regional government in an advisory way."[19]   How does one
coordinate in an advisory way?

More recently, however, Government statements have
hinted at the possibility of some strengthening of the councils.
For example, in late 1969 the Provincial Treasurer revealed
that "The Government is reviewing the legislation under which
the Regional Development Councils are established. We are
considering a reconstitution of the councils to encourage the
participation of all local governments and their agencies,

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[18]
Putting it more specifically, and rather more crudely,
the Government's position appeared to be that if they con-
tinually stressed that it was to the councils that they looked
for reactions and proposals from a region, then municipal hold-
outs would be likely to succumb and join the councils so that
they too might speak through the approved channels.

[19]
Regional Development Branch, Statement on August 12th,
1968, p.13.

including the planning boards, in each region."[20]   Much the

same point was made by the Treasurer in his address to the

first Ontario Provincial-Municipal Conference in April 1970.[21]

However, no new legislation has yet been introduced (end of

1971).

A strengthening of the regional development councils

is clearly required if they are to play an effective part

in the refinement and implementation of regional development

programmes. Reinforcing the need for change is the fact that

the gradual emergence of a network of regional governments, at

least in the urbanized areas of Southern Ontario, will weaken

one of the most persuasive arguments in support of the councils -

that is, that they are the only bodies with sufficiently large

jurisdictions to provide a regional perspective.

Before strengthening the councils, however, careful

consideration should be given to the appropriateness of the

ten economic regions which they embrace. Any substantial

abandonment of these economic regions as the basis of the

20
        Honourable Charles MacNaughton, Address to the Mid-
western Ontario Regional Development Council and Midwestern
Regional Tourist Council, November 26th, 1969, p.10.

21
        "We are reviewing the role, organization and composition
of the regional development councils with the intention of
introducing legislation which will reflect the importance of
our program and our desire to encourage full participation in
it." Statement entitled Why Do We Need a Regional Development
Program, op. cit., p.2.

regional development programme would obviously undermine the positions of the regional development councils. It is argued that such a change should take place and there are some indications that it may be underway.

Dealing first with the formulation of regional development plans it would appear that the 1966 decision to prepare such plans on the basis of the ten economic regions introduced an artificial, unnecessary stop in the planning process. Because of this decision the Government has been locked into a very slow process of elaborating regional plans which must still at some point be reconciled and integrated within an overall Provincial Plan. Moreover, they have been utilizing regions designed over two decades ago whose validity as appropriate planning jurisdictions is questionable. It would appear not only simpler but more logical to have drawn up an overall Provincial Plan at the outset. To the extent that regional development councils provide genuine grass roots input,[22] they could still have been asked to comment on the implications for their region of the Provincial Plan.

While there has been no specific statement to this effect, it appears likely that the experience of the Toronto-Centred Region will lead to the consideration of the remainder

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[22] A questionable proposition, for reasons advanced above.

of the province on the basis of larger areas as well. In particular, the ten economic regions may be superseded by regional development efforts based on the Toronto-Centred Region, Southwestern Ontario, Eastern Ontario and Northern Ontario (possibly divided into Northeastern and Northwestern). If this comes about the status of the regional development councils will be even more questionable.

Nor are the ten economic regions and the regional development councils likely to be used to any great extent in the implementation of the regional development programme. The Government has indicated that the emerging regional governments will be the main implementing machinery below the provincial level. In any event, the regional development councils are too weak as presently constituted and yet to give them authority over the actions of their member municipalities would mean that the views of appointed persons would take precedence over those of directly elected local representatives.

In summary, it is contended that the regional development councils will not play a significant role in the evolving regional development programme. Quite apart from the fact that there are limits to the formal powers which can be vested in such a body, it has become increasingly apparent that the regional development programme will be

formulated on the basis of areas considerably larger than those of the councils and implemented on the basis of areas considerably smaller.

Regional Advisory Boards

An assessment of regional machinery should extend to the regional advisory boards of civil servants established in 1966. As previously indicated, these boards have had very little involvement in the regional development programme. Within the past year steps have been taken to enlarge the membership of the boards and bring them more fully into the regional development exercise.[23] The recent changes, however, have mainly involved increased circulation of reports and minutes and appear unlikely to alter substantially the participation of the boards.

Nothing has been done, at least publicly, to meet one of the main limitations on a board's effectiveness, the fact that its members vary considerably in terms of their degree of autonomy, position in their departmental hierarchy and experience in the region. In other words, on a given board there are some senior officers accustomed to exercising considerable discretion in their field operations and other officers whose duties are rigidly defined and controlled by the centre. In this situation, a useful exchange of views may take place, greater mutual understanding

[23] _Supra._, pp. 417-8.

may develop, but little else can be achieved. For the
boards to be more effective would require greater delegation
of authority to the field officers and at least some stan-
dardization of the degree of autonomy exercised by the
various officers on a board. However, this raises the
fundamental question of the extent to which the Provincial
Government is willing to delegate authority and encourage
decision-making at the field level. As with the regional
development councils, there is a need for the Government
to decide specifically what role it wishes the boards to
play and organize them accordingly.

An associated question concerns the pattern of field
office boundaries and field headquarters in Ontario. The
Government has frequently indicated its intention to work
toward the standardization of field office boundaries,
apparently on the basis of the ten economic regions which
themselves were to undergo some changes to ensure conform-
ity with the outside boundaries of groupings of regional
governments.[24] While some adjustments undoubtedly could
be made, a high degree of standardization is not practicable
in Ontario. For example, with most of the population in the
southern part of the province and most of the resources in
the north, there can be few boundaries in common between

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   Supra., p. 487.

people-oriented departments such as Social and Family Services and resource-oriented departments such as Lands and Forests. Even if it were more practicable, the establishment of coincident boundaries would bring no automatic benefits. Other factors such as the appropriateness of the allocation of responsibilities among the provincial departments of the field offices and the degree of delegation of authority to the field would also be relevant.

On the other hand, the concept of standardizing field headquarters rather than field boundaries appears not only more feasible but more likely to yield positive results. In particular, it is felt that a number of Ontario cities could (and, in a few cases, already do) serve the threefold function of field headquarters for departmental field offices operating in the surrounding area, location of regional government offices and growth centres for their surrounding regions. For example, London, Ottawa, Hamilton, Kitchener-Waterloo, Windsor, Sudbury, North Bay, Sault Ste. Marie and Thunder Bay were previously cited as likely candidates for primate growth centres.[25] All of these cities house the field offices of several provincial departments and most of them are either the site of regional government offices or are the likely sites for recommended regional governments.

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[25] Supra., p.435.

It is felt that this pattern should be deliberately strengthened and that, to the extent practicable, the Government should attempt to develop and extend these "regional capitals". In this way provincial activities could reinforce themselves. The location of several field office headquarters in the same city (and perhaps ultimately in the same building) could contribute to the development of a regional civil service with a regional viewpoint or perspective on issues, including regional development. Regional governments located in these same centres would be more likely to deal with the accessible field staff than the remote Provincial departments. A greater devolution of authority to the field staff would encourage this relationship and could to some extent be precipitated by it. The concentration of regional and provincial government offices would in turn enhance the city's potential as a growth centre.

Summarizing Ontario-municipal relations, existing administrative arrangements appear inadequate, especially for the implementation of regional development. The regional development councils and regional advisory boards established by Design for Development have not been effective and are likely to become even less so, especially if the

ten economic regions on which they are based cease to be
an integral part of the regional development process.
Emerging regional governments are expected to play a major
role in the implementation of regional development pro-
grammes. However, at this point it is not clear how co-
ordination among neighbouring regional governments or
between regional governments and the Provincial Government
will be ensured. Special administrative arrangements may
also be required in areas which do not have regional govern-
ments in the near future.

Internal Organization of the Ontario Government

While the Ontario Government has extensive responsi-
bilities relating to regional development, they are divided
among a number of departments and agencies. In the terms
of this study, there is considerable functional fragment-
ation. In this situation the two main responses available
to the Ontario Government in the 1960s were either to re-
allocate and consolidate responsibilities or to establish
extensive inter-departmental machinery.

A major consolidation of responsibilities would not
have been practicable. Regional development cuts across so
many line responsibilities that this would have required
putting much of the civil service into one huge super-
ministry. It would also have meant the probable neglect or

distortion of many of the traditional line responsibilities
because of concentration on the regional development goals.
The only significant re-organization during the period under
study was the establishment of the Department of Treasury
and Economics. With this change, general responsibility
for regional development was vested in a central economic
planning and budgeting body. The responsibility for im-
plementation of regional development plans remained divided
among numerous line departments and agencies and local
governments.

The Ontario Government's main response to functional
fragmentation has been the creation of inter-departmental
machinery. This has involved the establishment of Cabinet
Committees, a Senior Advisory Committee of deputy ministers,
Liaison Committees and an increasing variety of technical
committees and task forces. It appears that this machinery
has gradually become effective in fostering a coordinated
approach to regional development. The process has been slow,
relying heavily on persuasion and good will, especially in
the early stages. A growing Cabinet commitment, first with
respect to the Toronto-Centred Region and then, more general-
ly, with the establishment of a new Cabinet Committee on
Economic and Regional Development, gave added impetus to the
coordinating efforts. The adoption of the TCR Plan was also

significant in providing a framework and a sharper focus
for the inter-departmental discussions. This was particular-
ly noticeable in the deliberations of the Advisory Committee
and in the intensified activities leading to the establish-
ment of the Liaison Committees and their task forces.

It is probably fair to say that the proliferation of
inter-departmental machinery has benefitted the civil service
generally, not just the regional development programme. This
is because the increasing numbers of officials involved in
these exchanges of views have developed a broader outlook
and have helped to overcome some of the parochialism previous-
ly characteristic of the Ontario Government.[26] At the same
time, there are limitations to this approach, not least in
the burden of time involved. As the refinement of regional
plans progressed, the coordinating machinery has been ex-
tended to the secondment of staff from various departments
to a permanent task force within the Regional Development
Branch. However, there have been difficulties and delays
and, as one senior official pointed out,[27] if secondment is
for too long a period the personnel become out of touch with

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[26]
     This point was made by a number of senior civil
servants interviewed.

[27]
     Interview, December 3rd, 1971.

their original department and some of the advantage of liaison and inter-change of views is lost.

At the end of 1971 the nature of future coordinating machinery at the provincial level remained unresolved. The refinement of regional plans, notably in the Toronto-Centred Region, called for more effective inter-departmental collaboration but limited experience with a seconded permanent task force offered little encouragement that this was the answer. The implementation of the emerging regional development plans promised to challenge even more the existing administrative machinery.

In this connection an imminent change concerning both Treasury and Economics and Municipal Affairs should be mentioned. As one of a number of major re-organizations called for by the Committee on Government Productivity,[28] most of the responsibilities of the Municipal Affairs Department, including those concerning physical planning, are to be combined with those of the Department of Treasury and Economics in a new Ministry of Finance and Intergovernmental Affairs. The change is expected to occur in the spring of 1972. While this re-organization is obviously beyond the

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[28] Committee on Government Productivity, Interim Report Number Three, op. cit., pp. 27-31.

period of the study and in fact has not even taken place at the time of writing, it is sufficiently relevant to warrant a brief comment, inevitably speculative.

In some respects the imminent re-organization appears quite advantageous for the regional development exercise. For the first time responsibility for economic and physical planning will be substantially combined in one department.[29] In addition, the increase in inter-governmental relations involving all three levels of government makes the present separation of federal-provincial relations (Treasury and Economics) and provincial-municipal relations (primarily municipal affairs) questionable. Certainly the Committee on Government Productivity emphasized that the new ministry would "help to ensure that the many municipal, regional, provincial, federal and international programs and activities of the government are properly related, coordinated and consistent with overall government policies and priorities."[30]

However, it remains to be seen whether such an enlarged ministry will be able to coordinate its own activities

[29] Substantially, but apparently not completely since the recommendations also call for the Ontario Municipal Board, presumably still with its physical planning responsibilities, to be transferred to the Attorney-General's Department.

[30] Committee on Government Productivity, Interim Report Number Three, op. cit., p.27.

effectively. The workload for the Minister is obviously very heavy and the appointment of two or more parliamentary assistants has been recommended. In addition, one must wonder whether many of the Department of Municipal Affairs' traditional activities affecting municipalities will receive equal attention in the new Ministry. It may be that improved coordination of programmes in relation to regional development will be at the expense of adequate representation of the municipal interest within the Provincial Government.

General Conclusions

Administrative arrangements for pursuing regional development in Ontario appear to have been adequate but by no means exemplary during the period under study. Indeed, it can be argued that the administrative machinery has only been adequate because the regional development programme is not far advanced and, in particular, has not yet involved implementation.

Notwithstanding the importance of both federal and municipal activities, the bulk of the responsibilities relating to regional development in Ontario are found within the Provincial Government. Thus it has been functional fragmentation much more than spatial fragmentation which has had to be overcome in the formulation of regional development plans. As previously indicated, the response

has been extensive inter-departmental machinery, the use
of which appears to be reaching the limits of its effect-
iveness. Further refinement of regional development plans
and their implementation may well require new administrative
initiatives, including some consolidation of responsibilities.
One major step in this direction will apparently be the
establishment of a new Ministry of Finance and Intergovern-
mental Affairs.

As implementation progresses it can be expected to
put more pressure on the spatial fragmentation in Ontario,
especially in terms of the responsibilities divided between
the Province and municipalities and the fact that the basic
responsibility for physical planning as well as for the
provision of infrastructure rests with the latter. While
the emergence of regional governments in much of urbanized
Southern Ontario is likely to facilitate coordination among
municipalities and between the municipal and provincial
level, additional administrative arrangements may be required.
For reasons mentioned above, neither the present regional
development councils nor the establishment of joint planning
boards will meet this need.

Suggestions for new administrative arrangements to
combat both functional and spatial fragmentation, along
with a number of other "lessons for Ontario of the Scottish
experience," are included in the comparative chapter in
PART C which concludes this study.

PART C - COMPARISONS

CHAPTER XII

A COMPARATIVE ANALYSIS

The preceding two parts of the study have examined in some detail the experiences of Scotland and Ontario in the pursuit of regional development and have attempted to assess the adequacy of administrative arrangements in the two jurisdictions. It remains now to compare these experiences and determine what Scotland and Ontario can learn from each other. This comparison should be particularly useful in Ontario's case, with Scotland's accumulated experience offering guidelines for the Province's regional development efforts in the 1970s. In turn, Ontario's position as a strong intermediate tier can be used as a point of reference for considering the possible further devolution of powers to the Scottish Office. Finally, the experiences of both Scotland and Ontario should permit some generalizations about the implementation of regional development in multi-tiered administrative structures.

Lessons for Ontario of the Scottish Experience

As has been seen, Ontario faces less spatial fragmentation than Scotland but has considerably more functional fragment-ation. While the Ontario Government's responsibility for regional development is divided among a number of provincial departments and agencies, the Scottish Office has the multi-purpose Scottish Development Department. However, the creation

of a comparable super-ministry of regional development is
not practicable in the Ontario context. Since the number
of relevant responsibilities concentrated at the inter-
mediate tier is much greater in Ontario than in Scotland,
an omni-purpose provincial department would have to embrace
a much wider range of activities than the Scottish Develop-
ment Department. Moreover, the Scottish research indicated
that much of the coordination within the Scottish Development
Department was based on informal, personal contacts made
possible by the scale of operations and the physical proxim-
ity of the staff in St. Andrews House.[1] No such informal
administration could be relied on in Ontario with the much
larger scale of operations and a civil service eight times
as numerous as that of the Scottish Office.[2]

Therefore it is felt that Ontario's general approach
has been correct. In particular they have avoided the fairly
widespread practice of vesting responsibility for regional
development in a new department with impressive terms of
reference and few formal powers. The shortcomings of this
approach are evident in the case of the British Department

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[1]
Supra., pp. 317-19.

[2]
While the number of Scottish Office civil servants was
estimated as 8,300 (supra., p.317), Ontario's civil service
numbers nearly 70,000.

of Economic Affairs[3] and a similar fate may befall the new

Federal Ministry of Housing and Urban Affairs.[4]   Indeed,

Ontario itself had experienced something of this problem

with the failure of the Department of Planning and Develop-

ment to achieve the coordination called for at its establish-

ment in 1944.[5]   Experience suggests that overall planning and

coordinating responsibilities are most effective if attached

to the Prime Minister's Office or a central control agency

such as the Treasury. The vesting of responsibility for

regional development in the re-organized Department of

Treasury and Economics was, therefore, an important change

for Ontario's regional development exercise.

Notwithstanding the pre-eminence of the Department of

Treasury and Economics, the number of other provincial depart-

ments with relevant responsibilities has put increasing

strain on inter-departmental coordinating machinery. Some

modest re-organization and consolidation of responsibilities

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[3]
Supra., pp. 52-5.

[4]
While the new ministry is charged with coordinating
activities relating to urban development, rather than regional
development, it faces much the same difficulties as did the
DEA in terms of solidly entrenched line departments.

[5]
Supra., p. 369.

might be considered to counteract this. Particularly suitable candidates for such a re-grouping could be provincial agencies such as the Ontario Development Corporation and the Ontario Water Resources Commission which can be directed to report through other ministers without major administrative changes. Taking the Ontario Water Resources Commission as an example, if the recently established Department of Environment becomes responsible for all pollution control in Ontario, the Commission's main role will be the provision of water and sewerage facilities, two important elements of the infrastructure. Given its involvement with municipalities and the significant effect on land use of its activities, the Commission might then be more appropriately associated with the Department of Municipal Affairs.

The logic of such a move would, of course, have to be re-assessed in the light of the impending amalgamation of Treasury and Economics and Municipal Affairs. In fact, the whole question of possible re-organizations of responsibilities cannot be properly examined until the implications of the changes following from the recommendations of the Committee on Government Productivity become clear. At this point, one can only reiterate that given the magnitude of relevant responsibilities at the provincial level the soundest approach

is to vest overall planning responsibility in a central
agency (which has been done) with the various line depart-
ments and agencies responsible for implementation. While
some consolidation of responsibilities would help to reduce
the proliferation of and pressures on inter-departmental
machinery, a major concentration of responsibilities is not
advised. In this connection some tentative reservations
about the proposed Ministry of Finance and Intergovernmental
Affairs have been noted.[6]

While Ontario faces much less spatial fragmentation
than Scotland this is almost entirely because Federal Govern-
ment activities are less vital to the Ontario Government's
regional development efforts than Westminster's activities
are to the Scottish exercise. On the other hand, municipal-
ities in Ontario and local authorities in Scotland have sub-
stantial responsibilities relating to regional development.[7]
It should be re-emphasized that many of the difficulties
associated with the implementation of regional development
in Scotland arose because of the lack of cooperation among
local authorities and between local authorities and the
Scottish Office. Therefore, Ontario does have to contend

6
 Supra., p. 506.

7
 The only substantial differences are that the provision
of public housing and the rehabilitation of derelict land
obviously are much more prominent local government activities
in Scotland than in Ontario.

with spatial fragmentation in the provincial-local context
and, as previously indicated, relations with local government
will become increasingly important in the implementation of
regional development programmes. Because of this, several
observations about the future provincial-local relationship
in Ontario follow.

While emerging regional governments can be expected to
play a major role it is felt that they should not be regarded
as a total solution to the need for implementing machinery.
Even for those areas of the province where regional govern-
ments exist or are likely to be established in the near future,
close cooperation among neighbouring regional governments and
between regional governments and the Provincial Government
will still be required and may call for additional admini-
strative machinery. Moreover, the Scottish experience suggests
that the earlier local governments are involved in the elabor-
ation of a regional development programme, the more likely
they will accept and respond to its recommendations. While
other factors were also at work, this is seen in the contrast
between the considerable progress achieved in implementing
the Lothians Plan in Greater Livingston and the deadlock and
delays which hampered efforts to implement the Central Borders
Plan.[8] On this assumption, there may be some resistance in

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[8] See Chapters Three and Four, respectively.

Ontario from both local and regional governments which feel
they have been inadequately involved in the preparation of
regional plans.

It is appreciated that this municipal participation
is supposedly provided through the involvement of the regional
development councils. However, for reasons previously
advanced, the councils are not regarded as effective bodies
and one of their chronic weaknesses has been the lack of
support from municipalities, especially the larger ones.
It can even be argued that the continued existence of the
regional development councils has inhibited and delayed the
search for a more suitable administrative body to bring
together municipalities and the Provincial Government for
the elaboration and implementation of regional plans.

In this connection it is interesting to recall that
the Ontario Government has recently called for the establish-
ment of municipal task forces with representatives of the
major municipalities involved to advise on a development
strategy for the northern and eastern growth (linked) centres
proposed in the TCR Plan.[9] Apparently these task forces will
also include representatives of the Provincial Government,[10]
in which case they will be quite similar to the joint working

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[9] TCR Status Report, op. cit., pp. 14-15. Also supra., p.461

[10] Interview, December 2nd, 1971.

parties widely used in Scotland's regional development efforts.
It is suggested that the Ontario Government consider extend-
ing this concept to other areas so that where practicable
the refinement of broad planning goals, and subsequently
the implementation of the regional plans, is undertaken by
joint teams of officials from both local governments and
the Province. Admittedly, this can be a slow and difficult
process which advances mainly through compromise. However,
it is unlikely to be any slower than the elaborate regional
planning process Ontario has been engaged in since 1966 and
the use of joint working parties would bring more meaningful
local government participation than has occurred through the
regional development councils. Moreover, the Scottish ex-
perience (notably with respect to Greater Livingston) indicates
that where there are clear overall guidelines to focus dis-
cussion a good deal of agreement can be reached, especially
on specific questions of implementation. In addition, the
spread of regional governments in Ontario would simplify
the municipal membership on these joint working parties and
help reduce the parochialism and rivalries which frequently
plagued the Scottish joint working parties. Finally, it is
contended that any complications or delays which might arise
from involving local governments more fully in the preparation
of regional plans would likely be more than offset by a greater

degree of local government cooperation in the implementation
of these plans. Neither of the likely alternatives -
municipalities blocking implementation or the Province
taking powers to compel compliance - appears preferable.

Another aspect of implementation which the Ontario
Government should consider is the likelihood of substantially
increased financial burdens for municipalities, especially
those in areas where major growth and infrastructural invest-
ment is planned. Once again, the Scottish experience is
instructive. Probably the best example of joint local author-
ity-Scottish Office cooperation has been the implementation
of the Lothians Plan in the Greater Livingston area. However,
partly because of the amount of progress that was made, local
authorities increasingly complained about the additional
expenditures they were being asked to undertake and disagree-
ments about cost-sharing became increasingly prevalent.[11]
It is suggested that the Ontario Government explore the
possibility of developing special "growth grants" which could
be provided to municipalities involved in extraordinary expen-
ditures in furtherance of the Province's regional development
programme.

While this study has been mainly concerned with
administrative machinery, it has necessarily involved con-
siderable examination of regional economic policies as well,

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[11]
Supra., pp. 143-4.

on the basis of which the following observations are made.

In contrast to the British situation where specific
regional policies have been in existence since the 1930s,
one is struck by the fact that even since adopting a regional
development commitment in 1966 the Ontario Government has not
introduced any new specific regional policies. Instead,
emphasis has been placed on the coordination of existing
provincial programmes and policies, with some rather optim-
istic assumptions about the compatibility of these programmes
with the regional development programme.[12]

Conspicuously absent in Ontario is anything approaching
a steering of industry policy. The EIO programme of the
Ontario Development Corporation offers financial incentives
to industries which locate in designated municipalities, but
the pre-occupation of this programme with small areas of
relatively high unemployment make it incompatible with the
growth area emphasis of the regional development programme.
Indeed, one is reminded of the Scottish situation in the
early 1960s when numerous Development Districts competed with
the growth areas for Government attention and industrial
development. Fortunately, the Ontario Government has rec-
ognized this problem and a revision of the EIO programme is
apparently underway, although no details have yet been made
public.

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[12]
    Supra., pp. 437-50.

Even a revised EIO programme, however, will not constitute
a full steering of industry policy, at least in the British
sense of the term. The latter uses not only financial in-
centives but also Industrial Development Certificates to
control and restrict expansion in areas such as the South-
east of England so that it can be diverted to economically-
disadvantaged areas such as Scotland. This control over
expansion is often referred to as the "push" of a steering
of industry policy with financial incentives described as
the "pull". Scottish experience suggests that the push may
be even more important than the pull since for much of the
period under study its growth areas enjoyed no financial
advantage over other areas of Scotland in terms of incentives
to industry. However, the success of these growth areas in
attracting considerably more than their proportionate share
of new industry coming to Scotland[13] was dependent upon
industry being re-directed in the first place through the
restriction of expansion in other areas of Britain. Scottish
officials regarded this negative control as vital and in-
dicated that the flow of industry to Scotland was directly
related to the stringency of this control.[14]

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[13]
Supra., p.36.

[14]
Supra., pp. 263-4.

This experience may be quite relevant for the Ontario
Government because there is at least a general parallel in
the way its regional development programme is unfolding,
especially in the Toronto-Centred Region. That is, the
emphasis on restricting and controlling the expansion of
the Toronto area and re-channelling some of its growth to
other centres which can then stimulate their surrounding
regions is not unlike the British approach of trying to re-
direct the growth potential of the Southeast and the Midlands
to areas such as Scotland. To the extent that this analogy
has validity, the Scottish experience indicates the need for
a steering of industry policy incorporating both a push and
a pull. Specifically, this suggests that in addition to the
imminent revision of incentives available to industry, con-
sideration should be given to means of controlling future
industrial expansion in the Toronto-Centred Region.

It is recognized that these suggestions involve a much
greater degree of Government intervention in the economic
decisions of private enterprise than has been the case in
Ontario. It may be that this type of policy is not easily
transplanted from the British context. However, it is felt
that if Ontario's regional development efforts are to involve
the restriction and re-direction of growth potential, a steer-
ing of industry policy involving negative controls as well as
positive inducements may become necessary.

Desired development patterns can also be reinforced
through specifically focusing the activities of certain
Provincial bodies. Since the Ontario Government has fre-
quently indicated that programmes will be directed toward
meeting the goals of the regional development programme,
the activities of the Scottish Special Housing Association
should be of considerable interest. During the second half
of the 1960s the Association embarked on a programme of con-
structing "advance housing" in areas where an increased
population was anticipated and desired.[15] On the basis of
discussions in an inter-departmental committee on housing
for industry and in various growth area working parties
efforts were made to use the provision of housing to lead
and reinforce development objectives. Ontario has not only
an essentially similar house-building agency in the Ontario
Housing Corporation, but also the Ontario Water Resources
Commission which constructs water and sewerage facilities
and the Ontario Development Corporation which is authorized
to construct advance factories. Therefore, if similar efforts
are made to direct the activities of these agencies it should
be possible to reinforce very strongly the regional develop-
ment pattern desired by the Ontario Government.

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[15] _Supra._, pp. 88-9.

In summary, the main lessons for Ontario would appear
to be the following. Increased attention should be paid
to the significance of local government in the regional dev-
elopment process and steps should be taken to involve Ontario
municipalities more directly in the elaboration of regional
plans. Even with a number of regional governments emerging,
joint working parties of local and provincial officials
might be used to elaborate these plans and to facilitate
their implementation. Special grants may be advisable to
defray the increased expenditures of municipalities associ-
ated with implementation. Finally, the adoption of a steer-
ing of industry policy may become necessary, especially if
the growth potential of the Toronto-Centred Region is effect-
ively to be controlled and re-directed.

Lessons for Scotland of the Ontario Experience

In the preceding section Scotland's relatively greater
experience in the pursuit of regional development provided
a number of suggestions for the Ontario Government to consider.
It follows that one cannot now completely reverse this process
and seek lessons for Scotland in the Ontario experience. How-
ever, there is one basic respect in which Ontario can provide
a useful point of reference for reviewing the Scottish experi-
ence. As has been seen, the Ontario Government is a stronger
intermediate tier than the Scottish Office because of its

autonomous constitutional position and the considerably
wider range of responsibilities relating to regional dev-
elopment which it exercises. It represents, therefore, an
extension of the Scottish Office's position of administrative
devolution within a unitary state. That is, on a spectrum
of weak to strong intermediate tiers one would proceed from
the position of the English regions, with an almost non-
existent intermediate tier represented by the economic plan-
ning boards and councils, to the Scottish Office and then to
a federal system in which the intermediate tier (such as
Ontario) possesses its own legislature and a constitutionally
guaranteed sphere of powers. While the research indicated
that Scotland's extensive administrative machinery gave her
a considerable advantage over the English regions in the
pursuit of regional development, the Ontario example provides
an outer limit against which the possible advantages of fur-
ther devolution of powers to the Scottish Office can be con-
sidered. The analysis which follows is not restricted specif-
ically to those additional powers possessed by the Ontario
Government, but rather focuses on powers whose transfer
appears particularly appropriate in the Scottish context.

A Stronger Scottish Office?

Central to any reassessment of the Scottish Office's
role in regional development is the responsibility for steer-
ing of industry, historically part of the Board of Trade's

remit but since June 1970 under the Department of Trade and
Industry. The question of whether all or part of the responsi-
bility for steering industry should be transferred to the
Scottish Office has been examined and rejected on so many
occasions that there has developed what might be termed an
orthodox position on this matter. While the argument which
follows is based on evidence given to the Select Committee
on Scottish Affairs,[16] it should be pointed out that much the
same rationale can be found in evidence to the Crowther
Commission, in the Toothill Report and in the Report of the
Royal Commission on Scottish Affairs.

Briefly, the orthodox viewpoint stresses that the steer-
ing of industry to Scotland involves not only positive attrac-
tion through a variety of financial incentives but also the
negative dissuasion of industries from developing in the South-
east. In other words, a push is needed as well as a pull.
It follows from this that if there were a separate "Board of
Trade for Scotland" the push element would no longer be avail-
able. A Scottish Board would not have direct and automatic
access to potential migrant firms elsewhere in Britain and
an English Board of Trade (or a Department of Trade and Industry
with no responsibility in Scotland, to state the case in terms
of the present organizational set-up)would be unlikely to

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[16]
   S.C.S.A., Minutes, 397, pp. 39-40 and 46.

steer firms to Scotland. On this basis it has traditionally been felt that the responsibility for steering industry should remain with the national government. Reinforcing this position has been the contention of the Scottish office, noted above, that consultations with the Board of Trade (and, more recently, the Department of Trade and Industry) have been very good and that the steering of industry and provision of advance factories have been compatible with Scotland's regional development efforts.

Notwithstanding the pervasiveness of the orthodox view, the experience of Northern Ireland appears to challenge the contention that efforts to attract industry would suffer if the push element were missing. The Stormont Parliament controls industry, transport and internal commerce along with many other government functions. With the Ministry of Commerce carrying out the attraction of industry policies which in Scotland are handled by the Department of Trade and Industry, Northern Ireland has shown a greater increase in the volume of production than Scotland since the mid-1950s.[17] Part of the reason for this success may be speedier and more flexible processing of applications. Banks observes that the Ministry of Commerce performs functions which in Whitehall are divided among several departments and claims that while

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[17] Banks, op. cit., Table 12, p. 168.

there is less professional expertise there is also "less

buck-passing, and fewer projects get lost on the inter-
departmental roundabout."[18]   However, the success presumably

also derives from the fact that the Northern Ireland Govern-

ment "in terms of direct money grants has consistently out-

bid the best that the Board of Trade has been permitted to

offer to the development areas or districts,"[19]   It is

likely, therefore, that Northern Ireland would have suffered

from the absence of the push factor but for these larger

financial inducements. On this assumption, Scotland would

benefit from having responsibility for the steering of industry

only if she could offer higher financial incentives than avail-

able in England. It is difficult to see how this would be

acceptable to England unless the differential were paid for

by revenues from a separate Scottish tax. Thus the devolution

of responsibility in one area (steering of industry) might

only be beneficial to Scotland if accompanied by further de-

volution in another area (taxing power).

The ability to levy a separate Scottish tax could also

significantly affect relations with the Treasury. Scotland's

ability to pursue distinctive regional policies would presum-

ably be enhanced if she were free to adopt spending priorities

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18
    Ibid., p. 160.

19
    Ibid., p. 167.

markedly different than those prevailing in England. As has been seen, apart from the possibility of marginal adjustments between functions at the estimates stage, the only present method of achieving this flexibility would appear to be the allocation to Scotland of a block grant which she could then spend as she saw fit. However, there is a widespread feeling, shared by the Scottish Office,[20] that this process would result in a lower total of funds for Scotland. With a separate Scottish tax it would be possible to allocate Scotland's share of each functional expenditure on the basis of some formula, for example, a per capita ratio, with additional amounts where desired financed from revenues from the Scottish tax. Not only would this offer the Scottish Office the opportunity to adopt distinctive spending priorities but it would also have the healthy effect of clearly indicating the costs of any differential government efforts in Scotland.

Another candidate for further devolution might be the field of transportation, not only because of its significance for regional development but because the present division of responsibilities between Whitehall and the Scottish Office can only inhibit the development of an integrated transportation policy. Thus, the Scottish Office is responsible for roads and bridges; railways are under the British Railways Board and therefore the Department of Trade and Industry; harbours

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[20] S.C.S.A. Minutes, 397, pp. 76 and 80.

are subject to the National Ports Council and the Department
of the Environment; airports are built and maintained either
by a local authority as at Glasgow (therefore indirectly
subject to the Scottish Office), by the British Airport
Authority and thus the Department of Trade and Industry as
at Prestwick and Edinburgh or directly by the Department of
Trade and Industry as at Aberdeen and the Highland airports;
passenger road transport and sea transport (except Stranraer-
Larne) are under the Scottish Office since the establishment
of the Scottish Transport Group in 1968, while freight trans-
port is the responsibility of the National Freight Corporation
and the Department of Environment.[21]

While the Select Committee on Scottish Affairs felt that
this division of responsibilities was "on the face of it not
sensible,"[22] they recommended no change. Their main argument
seemed to be that "the integration of transport in Scotland
would of course mean the fragmentation of authorities, notably
B.E.A. and British Rail, in Great Britain terms."[23] The
Committee also considered, then refrained from recommending,
the transfer to the Scottish Office of the responsibility for

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[21]
This outline is taken from Kellas, op. cit.

[22]
S.C.S.A. Report, 267, p. 35.

[23]
Ibid., p. 37.

making good losses on unremunerative rail services in Scotland,
pointing out that there was elaborate machinery for consider-
ing the closure of individual lines.   The Committee admitted,
however, that "we have not taken evidence on how the machinery
has worked in particular cases."[24]

It is tempting to argue that the Scottish Office should
be able to decide questions of rail closure. If there is any
justification for having an intermediate tier of government,
presumably it is because this tier is closer to and more aware
of the local implications of national decisions. This view-
point suggests that the Scottish Office is in a better position
to assess the effect on regional development programmes in
Scotland of proposed railway closures and might well reach
a different conclusion on a particular closure than would
the Ministry of Transport which is primarily concerned with
maintaining an economic operation.[25]   In the event of a
separate Scottish tax this change would become more practicable.
The Scottish Office would then be able to keep in operation a
rail line otherwise slated for closure by meeting its losses
through revenues obtained from the Scottish tax. It is
questionable, however, whether the subsidization of uneconomic

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[24]
    Ibid., p. 38.

[25]
    At the very least, the Scottish Office might be expected
to display a greater sensitivity to the timing of closure
announcements than was the case with the Borders line, supra.,
p. 199.

operations is desirable except in very special circumstances.

The shortcomings of subsidization are more apparent if extended to the field of mining closures. The division of responsibilities with respect to power already creates problems. While atomic energy, coal and gas are under Whitehall ministries (with some decentralization through the Scottish Gas Board and the two Scottish areas of the National Coal Board) electricity is the responsibility of the Scottish Office and is administered by two electricity boards. Kellas has pointed out that the electricity industry is expected to sustain coal mining by purchasing coal for power stations although it is more expensive than oil, thus leading to higher electricity prices.[26] This problem would be accentuated if the Scottish Office were keeping open uneconomic coal mines which under a national policy would have been closed.

Another Whitehall department whose activities bear on regional development in Scotland is the Department of Employment (or Employment and Productivity or Labour as it was known during the 1960s). However, the Scottish Office have indicated that they can see no particular advantage to be gained from devolving this responsibility and establishing a separate Scottish Department of Labour. The basic point

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[26] Kellas, op. cit.

as they explained to the Crowther Commission is that "in the broader field of industrial relations we must take account of the fact that both sides of industry are to a very considerable extent organized on a Great Britain basis and it is easier for one body to operate at national level than two."[27]

While other possibilities could be explored, it should be appreciated that there are limits to the extent of devolution practicable or desirable under the existing Scottish Office set-up. Indeed, even the present degree of devolution has caused considerable concern about the lack of effective democratic control over the Scottish Office, given the range of responsibilities of each Scottish minister, the substantial physical separation between Westminster and the Scottish Office, and inadequate scrutiny of Scottish Affairs in Parliament. This viewpoint has been expressed in a thoughtful pamphlet by David Steel who charges that "the more power that is added to the Scottish Office the less responsible its functions become."[28] Therefore the consideration of additional powers, especially the imposition of a Scottish tax, almost inevitably leads to the question of an elected Scottish Assembly.

However, the possibility of a Scottish Assembly raises a whole new set of considerations. For example, would the

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[27] Crowther Commission, Minutes II, p. 8.

[28] David Steel, Out of Control, Vanguard Publication No.3, 1968, p.7.

Secretary of State for Scotland be responsible to such an Assembly or to the House of Commons as at present? If he was not responsible to the Assembly it would be a fairly useless body along the lines of the proposal by the Scottish Constitutional Committee under Douglas-Home. On the other hand, if the Secretary of State was made responsible to a Scottish Legislature and something akin to a federal system established, Scotland would lose the present access to, and membership in, the national cabinet which appears to have served her well in the period under study.

Canadian experience is relevant and indicates that a federal structure does not insulate the provinces from inappropriate national policies. For example, the Maritime Provinces frequently complain that deflationary economic policies necessitated by inflationary pressure in Central Canada adversely affect their chances of achieving reasonable economic growth and employment.[29] As indicated above, even Ontario, with its economic prosperity and very substantial responsibilities relating to regional development, is significantly affected by Federal Government decisions. Therefore Scotland would have to weigh what she might gain through

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[29] Since Scotland has long voiced the identical complaint, the differences in government structure do not appear to have much effect on this problem.

provincial status with what she would lose through a severance of her present participation in the national parliament and cabinet. Whether periodic clashes at federal-provincial conferences - to use the Canadian analogy - would bring Scotland more benefits is uncertain.

However, these considerations are increasingly beyond the scope of this study. The basic point is that while a modest further devolution might be beneficial, any substantial devolution of additional powers to the Scottish Office would almost certainly bring other administrative and political changes which would not necessarily be to Scotland's advantage. What can be said with certainty is that the existing government machinery has served Scotland well, allowing her to enjoy many of the benefits of federalism while retaining a voice in national politics unavailable to intermediate tiers in a full federal system.

General Conclusions: The Pursuit of Regional Development in Multi-Tiered Administrative Structures

In attempting to generalize about the pursuit of regional development in multi-tiered administrative structures it is useful to begin by outlining an idealized regional development process described in a previously-mentioned report to the Canadian Government.[30] According to this report, the

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[30] Lithwick, op. cit., p. 176.

formulation of a regional development programme should begin
with the national government setting out a broad strategy of
regional development within which intermediate tier govern-
ments would prepare plans defining the nature, pattern and
timing of overall development and outlining policies (for
example, on education, natural resource development, spending
priorities and financial incentives) which are complementary.
Only then would regional development plans be elaborated,
the actual number of them depending upon the number of
regions into which the intermediate tier was divided for
regional planning purposes. These plans would involve more
specific policies for attaining desired population and employ-
ment patterns. Finally, the regional plans would be converted
into land use allocations. With this fusion of the economic
and physical planning the idealized process would be complete.
The land use guidelines form a basis for implementation of
the regional development plans. Above this, the intermediate
tier plan not only provides a framework within which the
various regional plans can be reconciled, but also outlines
policies to be followed by the intermediate tier government
to enforce desired regional development patterns. The efforts
of the various intermediate tier governments are in turn kept
consistent by the national government's broad strategy of
regional development. Applying this model of the regional

development process to Scotland and Ontario leads to the
following observations.

While a strong intermediate tier obviously faces less
spatial fragmentation and has greater latitude to pursue
regional development than a weak intermediate tier, certain
difficulties may arise. First, the stronger the intermediate
tier the less likely that the national government will pro-
vide and enforce an overall strategy of regional development.
However unsuccessful the U.K.'s 1965 National Plan, it did
represent an attempt by the national government to establish
a framework within which regional planning activities could
be reconciled. In contrast, several Canadian provinces had
embarked on regional planning exercises before the Federal
Government specifically directed its attention to this question.
Even with the recent establishment of the Department of Reg-
ional Economic Expansion there has been no delineation of a
broad strategy of regional development. Federal attention
has focused on the less-favoured areas of the Maritimes and
Eastern Quebec. Brewis and Paquet's 1968 statement that
"there are no government-backed national objectives into
which regional growth or development objectives would be fitted"[31]
remains true. This has left the Ontario Government to pursue

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[31]
Brewis and Paquet, op. cit., p. 135.

its regional development programme in something of a vacuum. It is questionable if this situation is even beneficial for Ontario, much less Canada.

A second difficulty is that the relatively less spatial fragmentation facing a strong intermediate tier is at least partly offset by greater functional fragmentation. Thus while Scottish Office responsibilities related to regional development are largely exercised by the Scottish Development Department, in Ontario the responsibilities are divided among a considerable number of departments and agencies.

A related point concerns the allocation of specific responsibility for a regional development programme. Regional development cuts across so many traditional government responsibilities that it is not practicable to bring together all or most relevant responsibilities in one department.[32] Establishing a new department to plan and coordinate the regional development programme is unlikely to prove successful, especially in overcoming the vested interests of entrenched line departments. The fate of the DEA and the possible fate of the Ministry of Housing and Urban Affairs

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[32] While the Scottish Development Department appears to approximate this situation, a number of regional development responsibilities are not exercised by the Scottish Office but by Whitehall. Moreover, it is likely that even the responsibilities exercised by the Scottish Development Department have only been manageable because of the close personal contacts made possible by the small number of staff and their physical proximity in St. Andrews House.

have previously been mentioned in this connection. The best
approach would appear to be to vest general responsibility
for regional development in a central body such as the Prime
Minister's Office or the Treasury, with implementation of
regional plans carried out through the appropriate line
departments. This has been Ontario's basic approach since
the responsibility for regional development was transferred
to the Department of Treasury and Economics. In Scotland's
case general responsibility for regional development rests
with the Regional Development Division which reports directly
to "Scotland's Prime Minister", the Secretary of State for
Scotland. Even the DEA was finally tied into the Prime
Minister's Office, but too late in the day to save it.[33]

Regardless of the strength of the intermediate tier, the
pursuit of regional development in multi-tiered administrative
structures is complicated by the need to integrate the tradi-
tionally diverse elements of economic and physical planning.
The latter is basically the responsibility of local govern-
ment subject to certain controls exercised by the intermediate
tier. Economic planning, which has developed more recently,
is initiated at the national level and by many intermediate
tier governments as well. Compounding the difficulty is the
fact that these two streams of planning are usually brought

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[33] Supra., p. 54.

together at a regional level defined by the intermediate tier. Since the boundaries of such regions normally are not co-terminous with those of existing tiers of government some form of regional machinery is required. As outlined below, appropriate regional machinery is not easily found.

One approach, evident in both Scotland and Ontario, is the establishment of regional advisory bodies representing varied regional interests and charged with providing a regional perspective and playing an important, but ill-defined, role in the regional development process. For varied reasons, neither Ontario's regional development councils nor Britain's economic planning councils[34] have been particularly effective. Indeed, it can be argued that not only are these types of body of limited value as advisers but their existence may inhibit the search for more effective regional machinery. This point has previously been made with respect to the regional development councils in Ontario.[35] It might also be applicable in Scotland, however, since recurring complaints about the lack of adequate administrative machinery for Central Scotland were countered with the official argument that this

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[34] Scotland's miniature planning councils, the economic planning consultative groups in the Borders, Southwest, Northeast and Tayside provide an even better parallel with Ontario's regional development councils.

[35] Supra., p. 514

area was receiving the special attention of the Scottish Economic Planning Council.[36]

Because of the extensive responsibilities relating to regional development exercised by local governments, their reorganization into enlarged regional units is another possible approach. At first glance the Scottish situation appears to confirm this. However, the close correlation between recommended regional government boundaries and the Scottish Office's economic planning regions occurs only because of the very small area of Scotland. In contrast, Ontario, with ten economic regions to Scotland's eight, would have, on the basis of present trends, from three to five regional governments within each of its economic regions. In any event, one should guard against over-emphasizing the role of local and regional government in regional development. Otherwise there is a danger that some of the traditional local government responsibilities would be neglected because of preoccupation with regional development considerations.[37] Moreover, even if regional government units are established, the major responsibilities in relation to regional development must remain with the central governments (intermediate

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[36] Supra., p. 315

[37] Such a concern has been expressed about Scotland's proposed local government reform, supra., p. 335.

and national).[38]

Thus while the existence of regional governments undoubtedly simplifies relations between the local and intermediate tiers, it does not fully resolve the need for regional machinery. The Scottish experience suggests that the establishment of regional joint working parties of central and local officials may be an appropriate administrative response. Given their make-up these bodies are obviously subject to limitations, but this would seem to be the case with any machinery inserted between the intermediate and local tiers. With joint working parties, membership can be selected and amended on the basis of the specific subjects to be discussed and the jurisdiction of the working party can be tailored to fit the boundaries of any region. The research indicates that this machinery can be especially useful in involving local governments in the elaboration of regional plans and in fostering a coordinated approach to the provision of services required in the implementation of such a plan.

In summary, the strength of the intermediate tier does not significantly alter the extent of the task of coordination involved in a regional development exercise. However,

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[38] _Supra._, pp. 335-338.

in a system with a strong intermediate tier there is more
emphasis on functional fragmentation and intra-governmental
relations than on spatial fragmentation and inter-governmental
relations, and to this extent achieving the necessary coor-
dination may be easier. On the other hand, the overall
integration of regional development efforts within a
national strategy on regional development may be inhibited
by the existence of strong intermediate tiers. It should
also be noted that the local tier plays much the same
significant role in the regional development process in
both Scotland and Ontario. In other words the difference
in the strength of the two intermediate tiers arises because
of variations in the responsibilities exercised by the
national, not local, tier. This suggests that in countries
with an established system of local self-government, the
local tier will have an important role in regional develop-
ment irrespective of the strength of the intermediate tier.
Finally, because of the extensive responsibilities involved
in regional development it is felt that the best approach
is to vest overall direction of the programme in a central
body such as the Treasury or the Prime Minister's Office
with implementation carried out through the appropriate line
departments and the local governments.

APPENDIX A

A Note on Growth Areas and Related Concepts

During the period under study, the British Government and the Scottish Office used the term growth area without precisely defining it or relating it to the theoretical writings on the subject. The Ontario Government has increasingly used the term growth centre with much the same lack of precision. While the absence of more specific definitions has not significantly affected this study, which is mainly focused on administrative machinery, some clarification of terminology is attempted below.

The growth area concept and related concepts arise from the theory of unbalanced growth originally developed by Myrdal, Hirschman and Perroux.[1] According to this theory,[2]

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[1] G. Myrdal, Economic Theory and Underdeveloped Regions, London, 1957; A. Hirschman, The Strategy of Economic Development, New Haven, 1958; and F. Perroux, "Notes sur la notion des pôles de croissance", Économie Appliquée, January-June 1955, and "la firme motrice dans la région motrice", Théorie et Politique de l'Expansion Régionale, Brussels, 1961. A brief analysis of Perroux's writings and of the approaches taken by his French and Belgian followers is provided by J. R. Lasuen, "On Growth Poles", Urban Studies, June, 1969.

[2] The description of the theory which follows is based on European Free Trade Association, Regional Policy in EFTA: An Examination of the Growth Centre Idea, report of an EFTA Economic Development Committee Working Party and Study Papers by K.J. Allen and T. Hermansen, Edinburgh, Oliver and Boyd, 1968, pp.62-64. This is a very useful reference which includes descriptions of the ways in which the growth centre concept has been used in various European countries and the problems encountered in its implementation.

the growth process is initiated by leading sectors described as "propulsive industries". These propagate growth impulses, through backward and forward linkages, to the other sectors of the economy. Towns possessing a complex of propulsive industries are known as growth poles. Primarily through inter-regional trade they spread or "trickle down" economic activity throughout their zone of influence. This development takes place not only at the national level through national growth poles but also at the regional level through regional growth centres. The latter's growth potential is particularly good if they are located on the main communications routes between national growth poles. In summary, the town growth pole, which is synonymous with growth area and core region, refers to national polarisation while the term growth centre refers to concentration and polarisation within regions.

Even this very brief outline indicates the lack of precision in the use of the terms growth area and growth centre by the Scottish Office and Ontario Government. However, their terminology has been used, without qualification, throughout the study.

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