

Dear Mr. Robinson,

Best wishes on your appointment to sort out Northern Ireland's (lack of) finances. I am writing to support the campaign for the removal of rates from manufacturing industry. As has been pointed out, foregoing a source of revenue for local and regional government must inevitably mean less money for the spending services that politicians prefer to deal with.

Quite simply, if industrial rates are imposed, you will not notice the loss of revenue because potential projects will not register at all as job creation possibilities. We won't have shipyard jobs or other engineering jobs to lose or textile jobs to lose. Surprisingly, we still have a number of significant engineering firms producing for world markets and I find it hard to understand why they do not locate elsewhere although the actual manufacturing content may not be large enough to matter. These firms are coping not only with high energy costs, transport costs and a legal minefield of employment legislation, now they face a rate burden that will impact on their operations. For modern manufacturing, large production space is essential but now the government is going to tax this.

You represent East Belfast and therefore would appreciate the impact of de-industrialisation on the lives of many people who, forty years ago, were able to raise a family and enjoy a satisfactory standard of living by using skills that do not require a lifetime of study in universities and colleges. The education system has produced an enormous prejudice against 'factory jobs' Moreover, the very communities that lived off these jobs are now being treated as obsolete themselves as their housing property as well as the factory sites and shipyard lands are now considered prime redevelopment properties.

The industrial rates question also extends to environmental protection. Recycling tends to be a land-extensive processing system and rates will penalise the development of recycling facilities. I notice that local shops that provide recycling facilities do so from large portable bins that would not attract rates although the area devoted to this might.

If rates are being levied on industry, why not on agriculture. I see that some sort of land tax is being considered. It seems to be directed at property speculators but property prices are soaring because of tax loopholes for the wealthy. Not that the British Treasury is complaining. I attended the auction for the sale of the Department of Education lands at Rathgael Road in Bangor for £65 million. The Ministry of Defence sites are being sold with similar provision for high density housing. We need immigrants to gear up this new housing demand. Rents on developments are collected locally and paid into offshore tax haven accounts. The financial deficit in Northern Ireland hardly comes from manufacturing industry but from tax loopholes and numerous methods of evasion and avoidance.

2/

Of course de-rating of manufacturing industry would not help what is called the new economy in services for which a much more effective campaign is being mounted for lower Corporation Tax in order to compete with the Irish Republic. I may favour lower Corporation tax but this is a UK and European issue. The rates issue is one that is within our power to tackle. There is no point in imposing rates and then trying to assuage industry by a grants system for capital and training costs. We have become grant addicted. Even the rich are begging grants. I would rather have Invest Northern Ireland as an investment fund with local employment creation as a principle but equally to be a successful investor, producing positive returns rather than doling out grants.

Industrial de-rating is possible. It is less likely to fall foul of Europe as companies already pay for most of the services provided by local government. Unfortunately business is not giving great support to this idea because they feel that it would damage the campaign for lower corporation tax and we now have so few manufacturers. Industry is not a lost cause, just an unfashionable one.

