

Tenth Report

1st January 1975 to 31st December 1975

Highlands and Islands Development Board

Presented to Parliament in pursuance of
Section 3 (3) of the Highlands and Islands
Development (Scotland) Act 1965

Inverness 1976

To the Right Honourable
BRUCE MILLAN, MP
*Her Majesty's Secretary of State
for Scotland*

Sir,

I have the honour to present the Tenth Report of the
Highlands and Islands Development Board for the period
1st January 1975 to 31st December 1975.

I am Sir,
Your obedient servant,

(Sgd.) KENNETH J W ALEXANDER, Chairman

Highlands and Islands Development Board
Bridge House, Bank Street, Inverness.

June 1976.

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Chairman's Foreword

This Report reviews the work of the Board in its 10th year of life. A new Chairman will be expected to look forward, but I would be foolish indeed not to have studied very carefully the history of these first ten years under my two distinguished predecessors Sir Robert Grieve and Sir Andrew Gilchrist. Of the many conclusions which can be drawn from such a study those which most deserve emphasis are, the importance of good communications between the Board and the people it seeks to serve, the value of having clearly defined objectives and the need for the Board to be open-minded, and creative about what to encourage.

Given that much of the work of the Board is in collaboration with private investors whose willingness to launch a project relates to objectives which they set, the Board must allow for some flexibility in the setting of objectives, for example by recognising that the expected time to be taken before the maximum number to be employed is reached can vary widely between cases. A development board must be flexible in its attitudes and develop flexible policy instruments if it is to succeed in the delicate task of stimulating private investment, fostering joint enterprises, and encouraging managements to persevere in expansion.

The staff of the Board is its greatest asset. The expertise and experience of the staff, covering the enormously wide range of problems and opportunities which can occur in the Highlands and Islands, makes our most important contribution to economic and social development. The effect of the loans and grants we can make depend to a very considerable extent upon staff skills. Their work involves the examination of proposals suggesting ways of strengthening these, bringing together ideas, investors and managers when one or more of the necessary elements in a project is missing, helping with planning problems and with other advice, and providing after-care in some cases. Board staff are frequently consulted on particular aspects of Highland development in which we have no direct financial involvement. We maintain very close contact with all of the Regional, Island and District authorities within our area, with the providers of the major services — transport,

energy and communications, and with a wide range of other bodies, both official and voluntary.

This emphasis on the importance of the Board's accumulated experience and skills must not obscure the significance of the public money provided by way of grant, loan or equity (usually in a combination of two or more of these). When the commercial case for investment is marginal or thought to be marginal, development can only be secured by such use of public funds. There are many enterprises now employing men and women in the Highlands and Islands on a normal commercial basis which would not have been launched without an initial injection of public funds through the work of this Board. We believe that the long-run return in terms both of life in the Highlands and Islands and the contribution the area can make to the economic prosperity of the United Kingdom as a whole fully justifies such a use of public money. It is our job to try to ensure the highest achievable success rate and the best possible return in terms of jobs created, income generated and, of course, loans repaid.

I have suggested that the Board has to be both responsive to the ideas of those who can contribute to economic and social development in the Highlands and Islands and creative in the sense of making its own contribution in the form of ideas and policies which can stimulate healthy growth. We recognise that the desired economic and social developments are usually dependent on constructive collaboration between the board, local authorities and others. We value such cooperation and will do all we can to encourage it. It is the need for such collaboration which gives such importance to the establishment of effective channels of communication between the Board, the people of the Highlands and Islands, and the wider industrial, rural and commercial communities. It is essential that we keep in close touch with the people of our area and that they are encouraged to bring ideas and problems to us. A Government agency in operation for 10 years must develop procedures: and these can create an impression of bureaucracy and 'red tape'. But we try by our actions and responses to belie such an image. Many of the people we exist to serve could be discouraged by too formal a response and we must strive to maintain a personal rather than an institutional style of work if we are to be fully effective. Credit should be given here to the work of the Consultative Council, under the Chairmanship of Lord Cameron. Its deliberations provide an invaluable link with a wide range of experience and opinions in the Highlands and Islands.

There were several exciting possible developments 'in the pipe-line' when I took over the Chairmanship on 1st February 1976, and these will remain as major Board activities for the next few years at least. An exploration of

the prospects for industrial fishing off the North-West coast, and ultimately of a major development of fish processing, probably in Lewis, is one such activity. A consolidation and expansion of fish farming developments is another. Similarly the Board is now ready to engage in a practical study of potential for deer farming. More generally, and at an earlier stage, a strategy for land-use in the Highlands and Islands is under preparation. Some important tourist developments are also under consideration, with increasing emphasis being placed upon the provision of facilities for recreation. With the way now open for the establishment of an oil refinery on the Cromarty Firth the Board can now turn its attention to how to secure the maximum growth of long-term employment and income for the Highlands and Islands by the development of economic activities related to oil refining. The formation of a powerful Caithness Maintenance Consortium was the first step to attracting major oil-related work to a part of the Highlands and Islands which has not yet enjoyed development equivalent to its potential. Further and energetic attempts will be made to tackle the intractable problems of some of our more fragile areas.

At the beginning of its second decade the Highlands and Islands Development Board is in great fettle with a long agenda of opportunities and problems to tackle. With the continuing goodwill and co-operation of the people and institutions of the Highlands and Islands, I am confident that the Board will have further successes in its work of strengthening the economy and social life of this magnificent region of the British Isles.

Kenneth Alexander.

Membership, Staffing, Finance and General Matters

Membership

- 1 The membership of the Board at the end of the year was:
Chairman Sir Andrew Gilchrist, KCMG
Deputy Chairman Rear Admiral D. A. Dunbar-Nasmith, CB, DSC
Full-time Members Prophet Smith, OBE
Robert A. Fasken
Part-time Members James Shaw Grant, CBE
Gavin A. Laird
G. Gordon Drummond
- 2 In October 1975 the Secretary of State for Scotland announced the extension of Sir Andrew Gilchrist's appointment as Chairman of the Board to 31 January 1976 pending the appointment of Professor Kenneth Alexander, Head of the Department of Economics at Strathclyde University, as Chairman for the five years to 31 January 1981.
- 3 At the same time, Mr Prophet Smith was re-appointed a full-time Member for the period to 31 October 1976; Mr Fasken (who had been Secretary to the Board since its inception) was appointed a full-time Member to 31 October 1980; Mr Shaw Grant was re-appointed a part-time Member to 31 October 1978 and Mr Gordon Drummond appointed as a part-time Member to the same date. Earlier in the year Mr Gavin Laird was appointed as a part-time Member from 15 January to 31 October 1977.
- 4 Having served the Board for a period of five years, Mr A. Forsyth and Col. H. A. C. MacKenzie vacated office on 31 October 1975.
- 5 Functional responsibility for the Board's Administration, Finance and Industrial Development continued in the care of the Deputy Chairman. Mr Prophet Smith remained responsible for Planning and Research (including Transport), Agriculture and Fisheries, while Mr Fasken assumed Mr Forsyth's responsibility for Tourism and Information Services.
- 6 The Chairman continued to represent the Board on the Scottish Economic Council and the Oil Development Council. A strong link will also be forged with the Scottish

Development Agency through the appointment of the Board's Chairman (designate) to the Board of the Agency. This link will enhance effective liaison, and is in line with a recommendation made by the Board (see para 20). Links were also maintained with the Countryside Commission and the Scottish Tourist Board through the membership of these bodies respectively by the Deputy Chairman and Mr Forsyth (later Mr Fasken); and Mr Grant continued as Chairman of the Crofters Commission. Col. MacKenzie was a member of the North of Scotland Hydro Electric Board until his retirement from the HEDB.

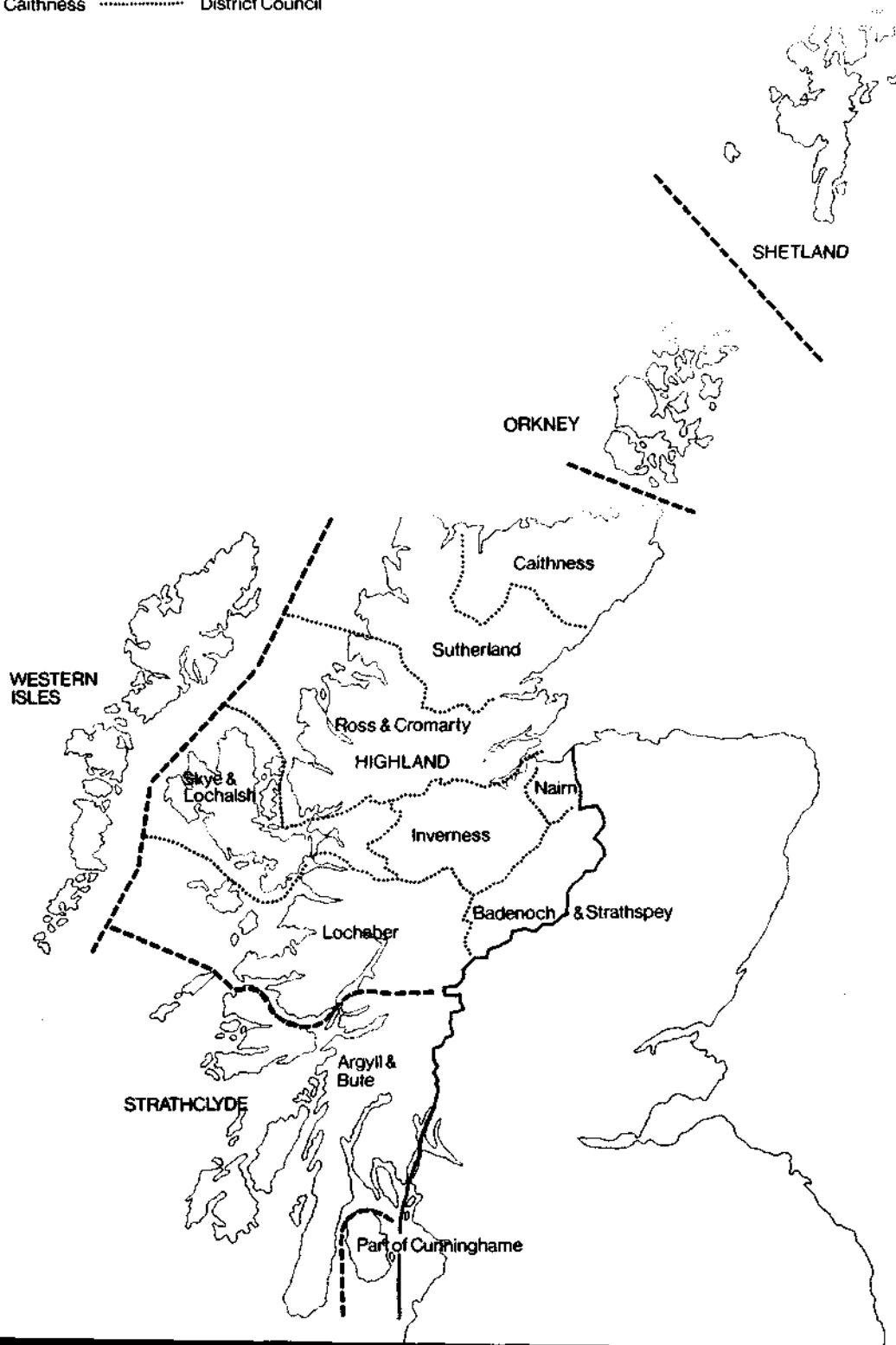
- Meetings 7 The Board met fortnightly throughout the year, and other meetings were held as necessary to deal with urgent business. On average seventeen applications for financial assistance were approved at each meeting.
- Staffing and Organisation 8 The staff complement at the end of the year was 236.
- 9 Mr J. A. MacAskill, formerly Head of the Board's Finance Division, was appointed to be Secretary with effect from 1 November 1975.
- 10 The Board's staff is organised on the following basis:
- | <i>Division</i> | <i>Head of Division</i> |
|--------------------------------------|---------------------------------|
| Administration | S. Edmond (Assistant Secretary) |
| Finance | D. Matheson (Acting) |
| Fisheries | J. K. Lindsay |
| Industrial Development and Marketing | J. K. Farquharson |
| Information Services | J. S. Grassie |
| Land Development | J. M. Bryden |
| Planning and Research | F. D. N. Spaven |
| Tourism | Dr D. A. Pattison |
- 11 Legal Services to the Board are provided by the Office of the Solicitor to the Secretary of State.
- Finance 12 The Board is financed by grant-in-aid borne on the vote of the Scottish Economic Planning Department. Estimated expenditure for the financial year 1 April 1974 to 31 March 1975 was £6,807,000 which was to be met from estimated receipts of £1,100,000 and grant-in-aid of £5,707,000. In the event, expenditure of £6,587,799 was lower than expected; consequently, only £5,485,000 of approved grant-in-aid was taken up. Details of the Board's income and expenditure and the balance sheet for the year ended 31 March 1975 are given in Appendices I and II and a statement of receipts and payments in Appendix III.
- Directions 13 No directions of a general character were received from the Secretary of State for Scotland under Section 2(1) of the Highlands and Islands Development (Scotland) Act 1965, hereafter referred to as the Act.

- | | | |
|-------------------------------------|----|--|
| Proposals | 14 | No proposals of a formal nature were submitted to the Secretary of State under Section 3(1) (b) of the Act. |
| Surveys | 15 | Details of surveys commissioned by the Board under Section 9 (1) (c) of the Act are listed in Appendix IX and in the body of this Report there is reference to some individual surveys and investigations. Appendix IX also gives details of surveys carried out in association with other bodies. |
| Re-organisation of Local Government | 16 | Meetings were held during the year with the three Islands Councils — Shetland, Orkney and the Western Isles — about future arrangements for co-operation and consultation on matters affecting social and economic development. This completed a series of meetings, begun in 1974, when talks were held with Strathclyde and Highland Regional Councils. Contact has also been made with a number of the new District Councils and formal meetings will be held with them as the need arises. |
| Extension to the Board's Area | 17 | On 8 May 1975 Parliamentary approval was given to an order made by the Secretary of State in terms of Section 1 (2) of the Highlands and Islands Development (Scotland) Act 1975 extending the Board's area to include the County of Nairn, the District of Cromdale, the Burgh of Grantown-on-Spey and the Islands of Arran and Bute. |
| | 18 | The inclusion of the mainland areas of Nairn County and the district of Cromdale brought the whole of the Highland Region within the Board's area. The Government agreed with the Board's views that the problems of Arran and Bute were similar to those of the other islands already in the Board's area and that Arran and Bute should therefore have the same opportunity to benefit by the exercise of the Board's wide-ranging powers. The extension to the area came into effect on 16 May 1975, the date on which the new local authorities took over their responsibilities. |
| | 19 | Teams of Board representatives visited the new areas in May and June to meet the local authorities and other appropriate bodies, and information about the financial and other assistance available from the Board was given through press announcements, displays and leaflets. |
| Scottish Development Agency | 20 | We were invited to comment on the Government's consultative document outlining the Secretary of State's proposals for the role and functions of the Scottish Development Agency. In particular, we welcomed the assurances that the special responsibilities of the Board should continue unchanged after establishment of the Agency, and we shared the Government's views that it should be possible by administrative means to ensure that there would be no unnecessary or undesirable overlap or duplication of effort between the two bodies. We recommended that the most effective way of achieving such a |

Local Authorities in the HIDB area

ORKNEY ----- Regional or Islands Council

Caithness District Council



relationship would be for a full-time member of the Board to be appointed as a member of the Agency.

- 21 We also pointed out that economic and social development of the Highlands and Islands depended on a complementary and comprehensive approach so that all the resources of the area could be developed in a concentrated and co-ordinated fashion, and that such an approach would be essential if the area were to overcome the unbalanced effects and eventual withdrawal of oil and oil-related industries. To that end, we indicated that it was our intention to continue development of indigenous and incoming industries and proposed that the Board should handle in its area all the industrial support and development powers to be exercised by the Secretary of State or the Agency in the rest of Scotland, except for such cases falling outwith the financial limits of the Board.
- 22 In the light of our experience, we made other recommendations regarding the powers and functions of the Agency, and later discussed with Mr Millan, the Minister of State, all the observations and comments we had to make on the consultative document.
- 23 By the end of the year contact had been established with the Agency, and discussions were being held with Scottish Office in regard to the drawing-up of suitable guidelines and administrative arrangements to avoid any unnecessary or undesirable duplication of activity between the two bodies.
- Highlands and Islands Development Consultative Council 24 A summary of the Council's discussions during 1975 is given in paras 235 to 240 and a list of Council Members appears in Appendix XI. Liaison between the Council and the Board continued to be close throughout the year and the Council was able to offer much useful advice. The Board is very grateful to the Council for the valuable service it performs.
- Visitors to the Board 25 In April, we were glad to welcome to our offices the Rt. Hon. W. Ross, MBE, MP, Secretary of State for Scotland. We took the opportunity to review with Mr Ross the progress made in Highlands and Islands development and to discuss plans for the immediate future.
- 26 We received many other distinguished visitors during the year including the Ambassador of the People's Republic of China; the Prime Minister of the Faroe Islands; a delegation from the Scottish Trades Union Congress, for whom we arranged a programme of visits to various parts of the area; and representatives from the Italian development agency, the Cassa per il Mezzogiorno. Other Government visitors included Mr Barry Jones, MP, Parliamentary Under-Secretary of State at the Welsh Office and senior civil servants from a number of overseas countries including Australia, Canada, the Federal Republic of Germany, France and Norway.

The Regional Economy

- Introduction** 27 A year of mixed fortunes is perhaps the best description of the economic experience of the Highlands and Islands during 1975. The western world and the UK economy endured the worst recession since the war, and many of the traditional industries of the area were badly affected. Harris Tweed, knitwear, fishing, fish processing and boat-building suffered a serious reduction in trade, while agriculture and tourism had a disappointing year. On the other hand, those parts of the Highlands and Islands affected by oil developments experienced considerable prosperity as new employment opportunities opened up. 1975 saw the end of the pioneering phase of oil exploration and as maturity settled upon this economic development its dimensions became clearer. Although two new manufacturing facilities, at Kishorn and Stornoway, started operation, the rush of planning applications for new platform yards come to an end. Some of the longer established companies moved into their second or third orders, but it became clear that maintaining a regular flow of orders in these yards is going to be a major challenge in the future. Production facilities neared completion at Flotta, work started at Sullom Voe and there are prospects that an oil refinery will be built at Nigg. The scale of these activities has enabled the Highlands and Islands to fare considerably better than the rest of the country during this difficult economic period, but it is clear on present trends that the rate of growth of these developments has slowed down appreciably.
- Population** 28 During 1975, the population of the Highlands and Islands continued the upward growth rate which it has maintained since 1966. Long term population changes over the period 1921-71 are shown in Table 1 of Appendix IV, which is based upon census data. Table 2 uses the Registrar General's mid-year estimates to show how population has changed between 1971 and 1975. During these four years, the population increased overall by about 14,500, with an increase of 3,850 occurring in the single year 1974-75. The birth rate in the Highlands and Islands has declined in recent years, in step with national trends, and this factor, taken in conjunction with a population age structure which includes a high proportion in the older age groups, has resulted in there being slightly more deaths than births in

Population Change 1971-1975

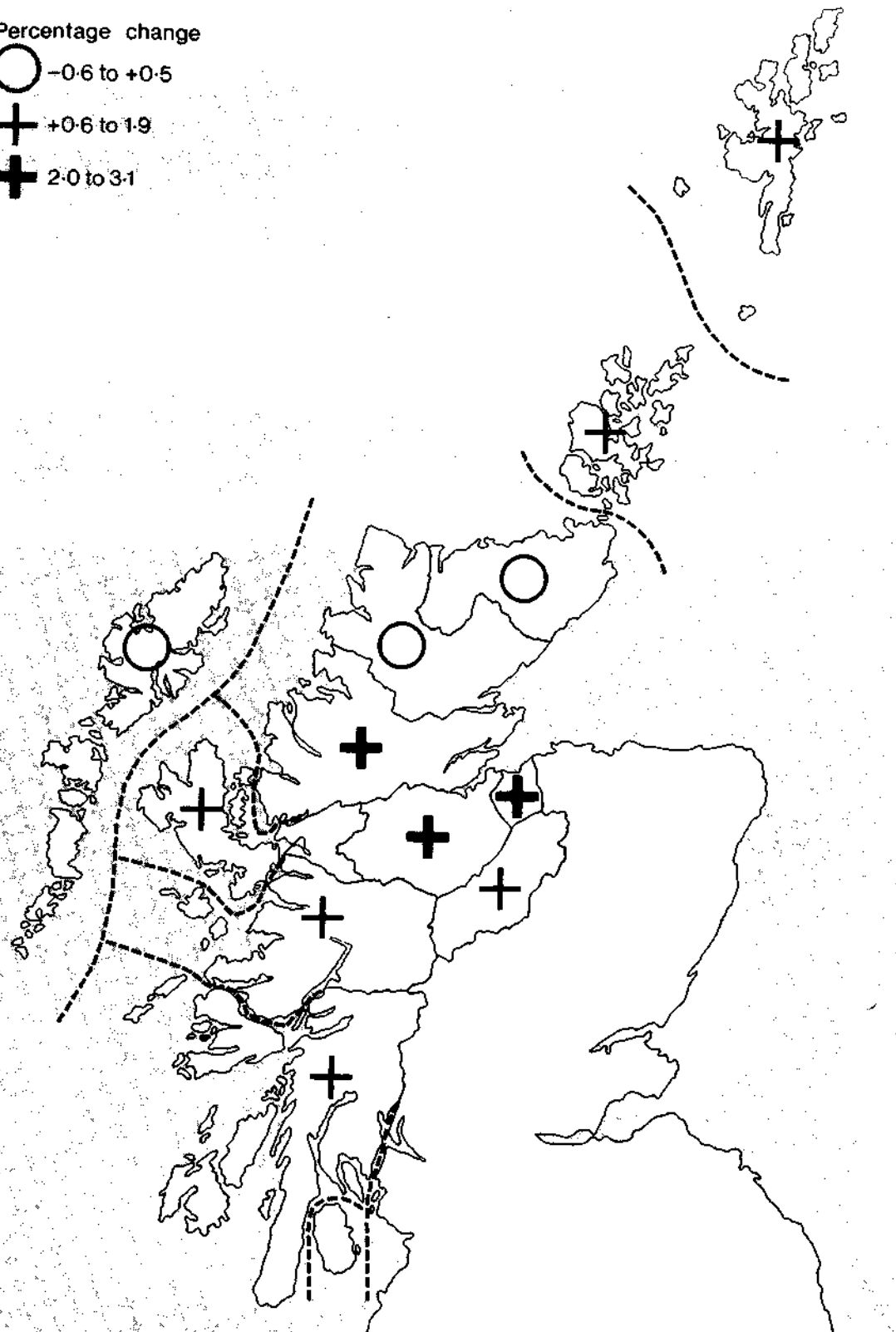
From mid year estimates - Registrar General for Scotland

Percentage change

○ -0.6 to +0.5

⊕ +0.6 to 1.9

⊕ 2.0 to 3.1



recent years. This natural decrease means that the increase in overall population has been brought about by immigration to the area.

29 Major changes in the procedures used by the Registrar General to extract population data were introduced during 1975 which make it impossible to obtain information regarding many of the Board's statistical areas. This prevents the statistical series of population in these areas being continued beyond 1974, and considerably reduces the sensitivity of the data to variations within the HIDB area. Table 2 shows that of all the areas for which data are now available, only the Western Isles experienced a decline in population, although Caithness and Sutherland did little more than mark time. The Moray Firth area enjoyed the fastest growth, followed by the Spey Valley, Shetland and Lochaber. In overall terms, these trends are most encouraging but there is no doubt that within the broad statistical areas now adopted, there exist many smaller areas, particularly in the islands and remoter parts of the mainland, which continue to experience population decline.

Employment

30 After four years of steady decline, unemployment in the Highlands and Islands increased during 1975. The number unemployed increased from 4,914 in 1974 to 6,180 in 1975, which in percentage terms represented an increase from 4.9% to 6% of the working population of the area. Although this reversal of recent trends is disappointing, it is perhaps less so when seen in the perspective of the national economic situation. During the worst economic recession in thirty years, the unemployment situation in the Highlands and Islands has actually continued to improve, relative to the rest of the country. Graph 1 demonstrates that whereas in 1965 unemployment in the Highlands and Islands was 471% higher than the U.K. level and 215% over the Scottish level, by 1974, this had fallen to 88% above the U.K. and 58% above Scotland, and by 1975 had further fallen to only 39% above the U.K. level and 26% above the level in the rest of Scotland. Clearly, oil-related employment has been an important factor in this relative improvement, with over 9,000 direct jobs and a further 2,500 construction jobs being created in the Highlands and Islands. However, it is unlikely that the rate of growth of these employment opportunities will continue to grow as fast as in the past few years nor as fast as employment in the rest of the country when the U.K. economy starts to pick up again. Nor is it reasonable to expect that oil developments will, on their own, solve the unemployment problem. It has been shown that for every two new jobs provided in the area by oil-related developments, only one person is taken off the unemployment list. Many of the unemployed live in scattered, remote locations, and are either unable or unwilling to move to where the new jobs arise, while many more are unsuited by age, health or training to take advantage of these opportunities.

- 31 The structure of employment in the Highlands and Islands is set out in Table 4 for 1974, the most recent year for which data are available. The outstanding feature revealed by this table is the very high percentage employed in service activities, compared with Scotland as a whole. Primary activities were also relatively better represented, but employment in manufacturing industry was well below the national average as indeed it has been throughout the economic history of the Highlands. However, this last category has been growing steadily in recent years, as a result of oil-related developments, and the figure of 16.4% for manufacturing employment in 1974 was a considerable increase on the 14.1% in 1973.
- Labour
- 32 The ratio of the number of men unemployed to the number of unfilled vacancies reveals that there is still a very strong demand for labour in the Highlands and Islands. For every 100 men unemployed in July 1975, there were 33 unfilled vacancies compared with 42 in July 1974 and 6 in July 1971, before the start of oil developments.
- 33 There is no doubt that this sustained demand for labour has introduced strains into the local economy as well as benefits. New employment vacancies are filled not only from the ranks of the unemployed and by immigrants, but also by people transferring from other employment within the area. Many local firms have experienced labour shortages, and there has been a general bidding-up of wage rates which has adversely affected the viability of some activities. There is particular concern regarding Sutherland, which has experienced a considerable drain of labour into Moray Firth jobs and which has been unable so far to develop local activities to counteract the flow. Lewis has similarly been a source of migrant labour, but it is to be hoped that the oil-related development there will reverse that trend.
- Personal Incomes
- 34 There is a lag in the publication of information regarding personal incomes which means that the most recent year for which data are available is 1973/74. As is shown in Table 5, the average level of earnings in the Highlands and Islands is still considerably lower than in Scotland, or the U.K. as a whole. However, during 1973/74, male earnings rose to 91% of the U.K. average, the highest level yet recorded, and to 96% of the Scottish average. It is clear, however, that large sectors of the working population in the Highlands and Islands have been little affected by these improvements. Interestingly, the average level of female earnings is nearer the national average than is the case for male earnings.
- Effects of Inflation
- 35 Prices continued to rise rapidly during 1975, and as this coincided with a period of economic recession, the real standard of living of most people declined. To some extent, areas with oil-related developments were protected from this national trend, but many traditional industries were

caught in a vice between rising costs and contracting markets. Fishing, fish processing, agriculture, and textiles have all been particularly badly hit.

- 36 Businesses have been affected by wage increases, cost of materials, rate increases, electricity and transport charges. Consumers have been similarly affected, transport charges being a particularly contentious item. A survey carried out by the Prices Commission in 1975 showed that retail prices in the Highlands and Islands are higher than in any other part of Britain. The acute housing shortage which existed for over two years in the Moray Firth area eased considerably during 1975, as housing developments were completed, but a similar problem has arisen in Shetland, where house prices have soared and shortages are having a retarding effect upon development.
- Manufacturing Industry
- 37 Facilities for manufacturing offshore equipment were completed at Kishorn, where work commenced on what will be the world's largest concrete platform, and at Stornoway, where marine fabrication operations have already started. Another platform yard at Portavadie, in Argyll, was completed, but as yet no order has been secured for this facility. In the longer established yards, Ardyne has work in hand which will last until mid 1977, and both Nigg and Ardersier have orders until 1977. The pipe-coating yard at Invergordon has been working well below capacity, and has started to lay off part of its workforce. Continuity of employment in these manufacturing firms will depend to a large extent upon the number and timing of new orders for production platforms. In turn, these orders are likely to depend upon the attitudes and degree of confidence of the oil companies and the rate of oil exploration, which has slowed down recently, but which should pick up again after the next round of licensing in 1976.
- 38 The production of oil in the Highlands and Islands will start in 1976 in Orkney, when the Flotta tank farm and pipeline terminal is opened. Work started during 1975 on the massive development of Sullom Voe in Shetland and planning permission was sought for an oil refinery at Nigg, which could be the beginning of a large-scale petrochemical complex in the area.
- 39 The general economic recession made 1975 a discouraging year for other manufacturing industries in the Highlands and Islands. Particularly badly affected was the Harris Tweed industry which experienced a dramatic contraction of its market and was obliged to reduce its labour force considerably. Proposals were made to reorganise this industry, which is of vital importance to the prosperity of Lewis and Harris. Boatbuilding suffered a considerable decline during 1975, which reflected the difficulties of the fishing industry, and fish processing was similarly affected. Aluminium smelting and wood pulp production maintained

employment levels during the year, partly through stock building, and even the whisky distilling industry was obliged to produce for stock in the face of contracting world markets. Hopes for a recovery in 1976 are clearly dependent on an upturn in world trade and a higher level of activity in the British economy.

- Agriculture** 40 Changes in the acreage allocated to different forms of agriculture and in livestock levels are shown in Table 6. The figures for the entire HIDB area for 1975 are all higher than those for previous years, but this is only because the fertile and well-farmed areas of Nairn and Bute are included in the statistics for the first time. In the seven crofting counties, there was a continued contraction in the acreage devoted to all forms of agriculture, except barley production, which sustained its steady growth of recent years. 1975 was a poor year for livestock producers, and sheep and cattle populations in the seven crofting counties did no better than hold constant at 1974 levels, while there was a contraction in the numbers of pigs and poultry reared. The full-time labour force engaged in agriculture was 3,755 including Nairn and Bute, but in the original HIDB area, there was a decline of 150 from 1974. There was an increase in the acreage devoted to forestry in the Highlands and Islands, and full-time employment increased slightly to 1,240.
- Fisheries** 41 1975 was also a bad year for the fishing industry, as Table 7 shows. The volume of catches in the Highlands and Islands all increased over the previous year, by 14% for white fish, 4% for herring and 29% for shellfish. But, because of extremely low selling prices, the money value of these catches did little better than maintain its 1974 level, while in real terms, its value fell by almost 25%. The number of men in full-time employment in fishing declined from 2,122 in 1974 to 2,002 in 1975.
- Tourism** 42 The general economic recession and the continuing rise in travel costs prevented 1975 from being a growth year for the tourist industry. The best available indicators are hotel occupancy rates, which are presented in Table 8(a). Trade during the early and late months of the season, April, May, June and October was appreciably better than in 1974, an encouraging sign that the season is lengthening. However, during the peak months of July, August and September, occupancy rates were considerably lower than last year. Hotels in Highland areas are subject to greater seasonal fluctuations, and this is shown in Graph 3.
- 43 Another indication regarding tourist volumes may be obtained from road traffic counts carried out by the Scottish Development Department. Unfortunately, only two of the points within the Highlands at which the census was taken in 1975 corresponded with those used in 1974. At the point at Kinbraig, on the Inverness section of the A9, traffic in August was 5% lower than it had been in

1974, but at Cairndow, in Argyll, traffic had risen by 8% on the 1974 level.

Conclusion

- 44 Looking ahead, there are grounds for optimism. The world economy should revive during 1976 and with it, the level of activity in the UK economy. This should produce a revival of trade for the traditional industries of the Highlands and Islands and create an environment conducive to new industrial development. The oil industry may be expected to recover from the uncertainties of 1975, and to release orders which will consolidate the role of oil-related companies in the area. While overall, the economy of the Highlands and Islands should progress satisfactorily in the year to come, the challenge remains to distribute prosperity more evenly within the area.

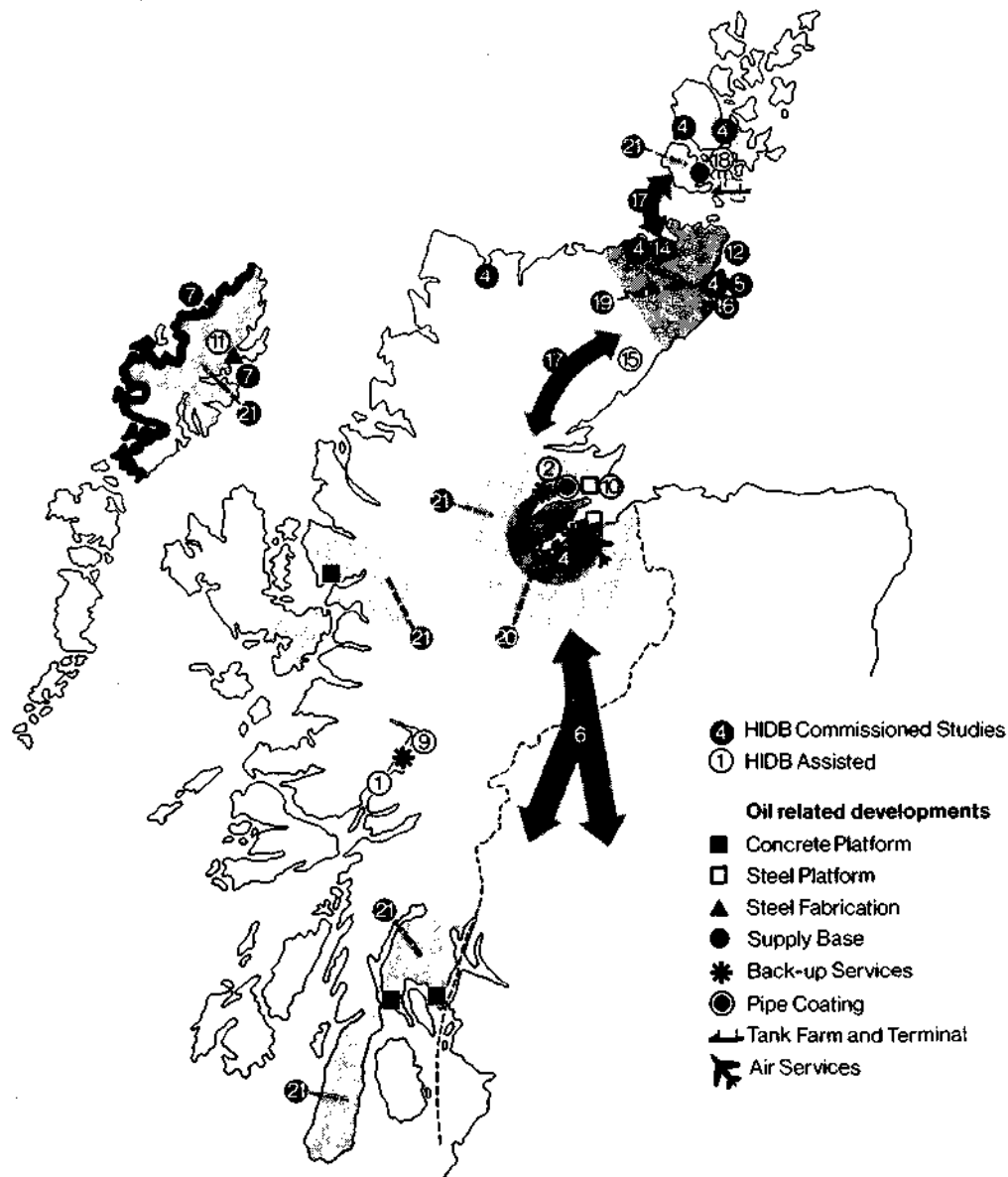
Area Development and Regional Research

- Strategy 45 Further attention was given to promoting studies and developments in those parts of the area where insufficient development progress is being made. In the oil affected areas, while every effort was made to derive benefits for local employment and to minimise adverse impacts, other promotional work was held in reserve and a less flexible range of financial assistance was offered.
- Moray Firth 46 We continued to be represented on the Moray Firth Working Party, which was set up by the Scottish Office to co-ordinate and monitor progress in providing infrastructure required by oil-related developments. Housing made substantial progress during the year and it seemed likely that industrial housing needs for incoming workers would in fact be met by completions in the course of 1976. However, this did not seem to be the case for the wide diversity of general housing needs and the position was being reviewed at the end of the year, with the likelihood that in the Inverness/Nairn area at least, the gap between demand and supply will exist for some time yet.
- 47 A report by Aberdeen University on employment and population up to and beyond 1981 commented pessimistically on medium and long-term prospects. Neither the Board nor the Moray Firth Working Party accepted this interpretation of future development prospects, while accepting that the situation needs to be kept under review. We have no doubt that this part of the area continues to have outstanding advantages for many kinds of oil-related and other development.
- 48 Early in the year, we gave evidence at the public enquiry into the proposed oil refinery at Nigg. We supported this proposal in the interests of diversification of employment and the development of the special resources of the Cromarty Firth, on condition that the planning authority's numerous conditions were met and the necessary infrastructure was provided at an early stage. Towards the end of the year, we were considering the industrial development issues that could arise if approval were given for the oil refinery.

- Mull 49 As part of our overall effort to secure development in Mull, we investigated the possibility of setting-up a housing association in Mull and the promotion of a field studies centre. The idea of such a centre had been in the Mull report, and a large number of universities and colleges were contacted to see what interest there might be in the proposal. The results so far are somewhat limited but may be sufficient for a project to provide a base for geological and biological field studies.
- Orkney North Isles 50 Following a review of the work done over a year by our part-time field officer in the North Isles of Orkney, we decided to retain his services for at least a further year to continue this work. During the year, it became clear that North Ronaldsay was in particular need of development, and a number of proposals put forward by our field officer were discussed at a public meeting on the island attended by representatives from the Board, the Orkney Islands Council and the Crofters Commission. One proposal, for an improved local electricity supply, is being followed up by staff and is referred to later in this report. A number of possible development projects, notably concerning agriculture, were identified, and some of these resulted in successful applications to the Board for financial assistance.
- Harris 51 Further efforts have been made to encourage local development in the Isle of Harris, which has had a long history of population decline. Close liaison has been established with development officials in the Western Isles Islands Council and with the Harris Council of Social Service.
- Other Islands 52. Employment and population surveys have been carried out and special attention given to social and economic needs in several islands and other peripheral areas, notably North-mavine in Shetland, Vatersay, Portnahaven in Islay, Colonsay and Jura. In Jura, a survey showed that the island is in a very difficult situation demographically, in particular having an almost complete lack of employment opportunities for young people. We were not successful in negotiating the purchase of property on the island of Raasay. We intend to pursue the matter with a view to securing a development for the island.
- East Sutherland 53 We gave financial help to East Sutherland Council of Social Service to assist them in a study of the impact on local trades, services and institutions of the commuting of labour from East Sutherland to oil related industries in Easter Ross. The report was completed in November and indicated that the effects so far were not so adverse for East Sutherland firms as had been anticipated, though the threat of a worse situation, including migration away from the district, remains.

Oil related studies and reports since 1971

Type of study	Location	Date
1 Sub-surface environment	Loch Linnhe	1972
2 Wharfage feasibility	Evanton	1972
3 Bore hole survey of harbour	Lerwick	1972
4 Offshore oil industry supply bases	Inverness, Wick, Scrabster, Eriboll, Stromness, Lerwick, Scalloway, Kirkwall	1972
5 Oil Supply Base	Wick	1973
6 Access Transport Study	Moray Firth Area	1973
7 Offshore Oil Industry	Lewis & Harris	1973
8 Planning & Engineering Studies	Sullom Voe Shetland	1973
9 Pier Report	Fort William	1973
10 Impact Study of oil refinery	Nigg	1974
11 Impact Study of oil development	Stornoway	1974
12 Offshore maintenance	Caithness	1975
13 Offshore maintenance	UK	1975
14 Supply Vessel Berth	Scrabster	1975
15 Labour migration study	East Sutherland	1975
16 Harbour hydraulic model studies	Wick	1975
17 Arterial Transport Study	North Mainland and Orkney	1975
18 Ecological Study	Scapa Flow	In progress
19 Maintenance services	Caithness	In progress
20 Ecological Study	Moray Firth	In progress
21 Recreation study	All oil-related areas	In progress



Oil Related
Planning

54 The first and second interim reports were received from the Tourism and Recreation Research Unit of Edinburgh University, the Board's consultants into the recreational needs in oil affected communities. The University opened an office in Inverness from which to conduct field survey work and this has included so far extensive background studies, in particular the compilation of an inventory of recreational facilities and the carrying out of a large number of interviews with samples of householders and participants in various recreational activities in Lewis, Shetland, Orkney, Easter Ross and South Argyll. Several meetings were held of a liaison group representative of the local authorities concerned and national bodies concerned with recreation.

55 We are providing financial assistance towards a planning study of Campbeltown arising from the approval for the construction of a concrete platform yard near the town, and staff have attended meetings of a liaison group to consider progress by the consultants. Close liaison has also been maintained with the Shetland Islands Council in the preparation of their structure plan, with SDD and Aberdeen University in the latter's preparation of the guidance manual for planning authorities on "Project Appraisal for Development Control" and with the Social Science Research Council's Advisory Group on research into the social impact of oil.

Other Studies and
Liaison

56 Towards the end of the year work was in hand to assist the new Regional and Islands authorities in the preparation of part of their Regional Reports for 1976. Information and advice on development prospects and priorities in the next five years, as seen by the Board in the various sectors of its work, was given to the Highland and Strathclyde Regional Authorities and Orkney Islands Authority.

57 A study is being undertaken of the ways in which investment activity by different types of firms is likely to be influenced by trends in the global and national economy, as a guide to Board industrial promotion activity. Representations have been made to the Registrar General and to the Scottish Office about the inadequacy of official population statistics as a result of local government re-organisation. Mid-year estimates will now only be available for the regional and district council areas and not for any of the islands, towns and other distinctive small areas in the Highlands and Islands. The lack of this data will have a detrimental effect on monitoring local changes and planning for new developments, especially since employment and population data for small areas in the 1971 and other censuses has become less reliable and much delayed in publication.

Housing

58 Representatives of the Board and the Crofters Commission met officials of Scottish Office in February to discuss further the problems identified earlier by the Board in the

provision of housing in the remoter areas, particularly in the islands. It was agreed then that priority should be given to action to improve sub-standard housing, and that Scottish Office should investigate, particularly with the Western Isles Islands Council, the feasibility of applying housing action area procedures in remote areas. The local authority is now considering this possibility. For our own part, we have looked into the availability of building contractors in the Western Isles, and have encouraged firms where appropriate to consider expansion, possibly with the aid of financial help from the Board. We have also looked into the possibility of housing associations playing a greater role, particularly in the Islands, and we are discussing with the Building Societies Association the extent to which mortgage facilities are not available to people in the islands and remote areas who wish to build or buy their own houses.

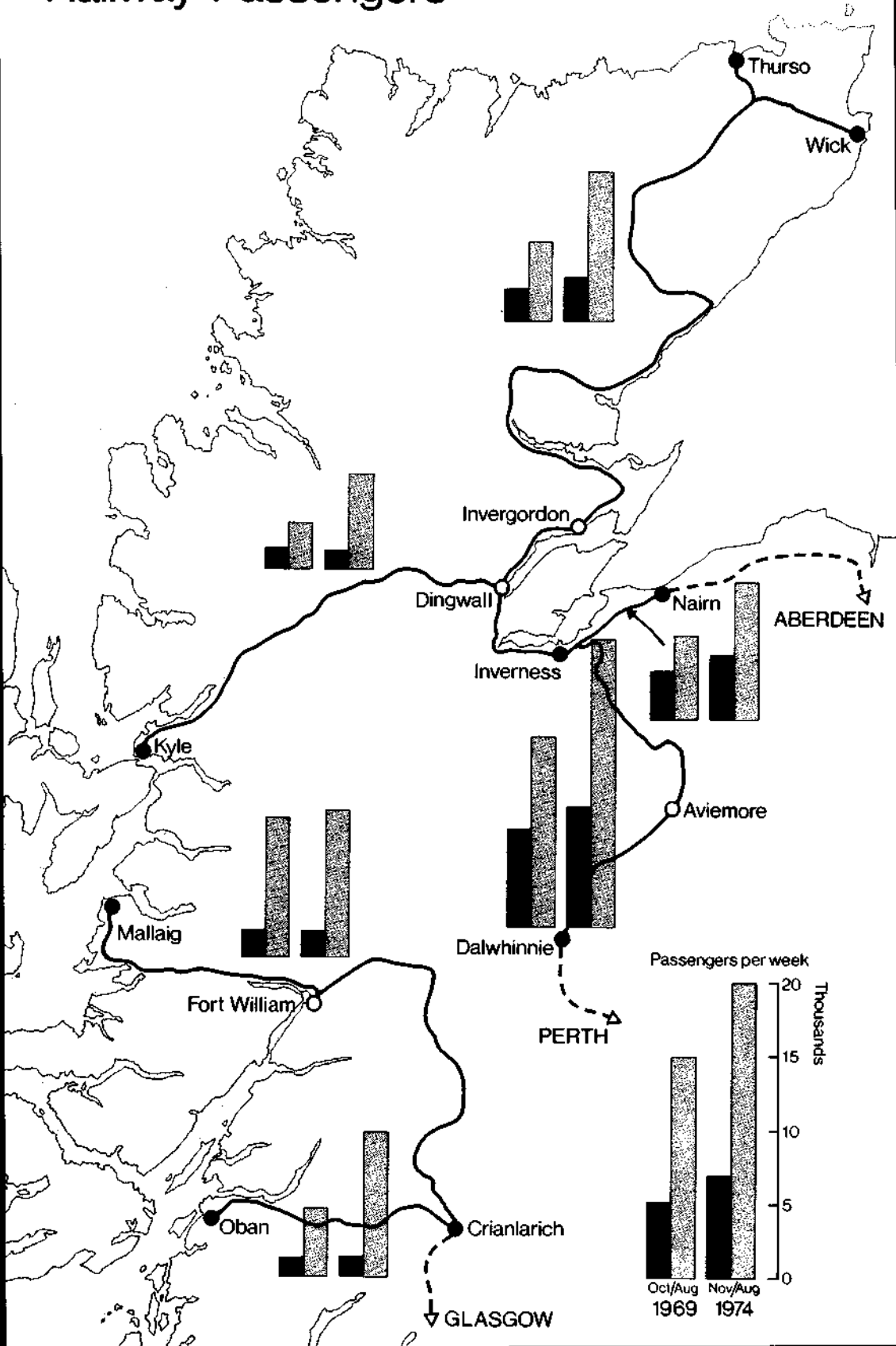
- Electricity 59 We discussed with the North of Scotland Hydro-Electric Board their policy and future programme for providing an electricity supply to small rural communities. It is clear from these discussions that, because of geographical separation from distribution lines and the high cost that would be involved, some small communities will not be connected to the Hydro Board grid. We are therefore investigating ways of meeting this need, and in technical liaison with NSHEB and the Army, are considering schemes for Colonsay and North Ronaldsay, the two largest of the communities concerned.
- Overseas Liaison 60 In July, together with the Ministry of Overseas Development, we sponsored and organised a seminar on rural and regional development for a group of government officials from Commonwealth and other developing countries. The seminar was based at Plockton School hostel and the programme, which was directed by Professor Sir Robert Grieve and Board staff, assisted by the Highland Regional Council, included lectures on and field visits to Board and other local development projects. The seminar was much appreciated by the participants and by the Ministry of Overseas Development, who felt it enabled the Board to pass on some of its experience and expertise in rural development and that it demonstrated that the Highlands and Islands is in many ways an ideal location in the United Kingdom for a forum on this subject of world-wide interest. Following a proposal from the Ministry, we agreed to hold a similar seminar in 1976.

Transport

General

- 61 In 1975 increased transport costs, especially for fuel, and greater traffic demands led to higher charges for users and in some cases withdrawal of service. In this situation of change and uncertainty, we have devoted even more time than usual to advising transport operators, users, local and central government on the essential development needs of the Highlands and Islands to ensure co-ordination as far as possible of existing services and the general integration of the investment policies of the agencies concerned.
- 62 In view of basic changes in parts of the transport system in recent years and the Regional and Islands Councils' new transport responsibilities, we decided to carry out a review of our own transport role and policies. Work on this review, including consultation with local and central government, operators, and other interested bodies, including the Highlands and Islands Development Consultative Council, was completed in the Autumn, and it is proposed to publish a report in 1976. This year, the Regional and Islands authorities had to prepare their first Transport Policies and Programmes (TPPs), and we were able to provide information and advice to some of the authorities involved.
- 63 Messrs Jamieson Mackay and Partners, who were commissioned by the Board in August 1974, completed their study of arterial transport to the North Mainland and Orkney. This study quantifies transport needs in the light of economic development opportunities. Analysis of existing traffic levels revealed that the A9 road was carrying the bulk of freight and passengers although growth had been experienced in recent years on rail, sea and air traffic. Road traffic is beginning to increase as a result of the introduction of the RO/RO ferry on the Pentland Firth crossing and the diversion of Orkney sea traffic to this route. Continued growth in the other modes is also expected. The improvements which the consultants think would best meet this growth and help satisfy the Board's development aims are mentioned later under the paragraphs on road, rail and air.
- 64 Sales of Travelpass, the public transport 'rover' ticket sponsored by the Board, continued to increase during 1975

Railway Passengers



— its fourth year of operation. A total of 2,650 tickets were sold, 60% more than in 1974, leaving approximately £53,000 of revenue to be distributed among the participants. During the year the Scottish Youth Hostel Association marketed for the first time a package known as 'Highland Wayfarer' which coupled hostel accommodation with Travelpass. This proved a most successful combination with over 400 sales including many to overseas visitors. We think that a further expansion of Travelpass sales can be achieved and steps have been taken to promote and market the facility not only throughout most travel agencies in UK, but also in Europe and North America.

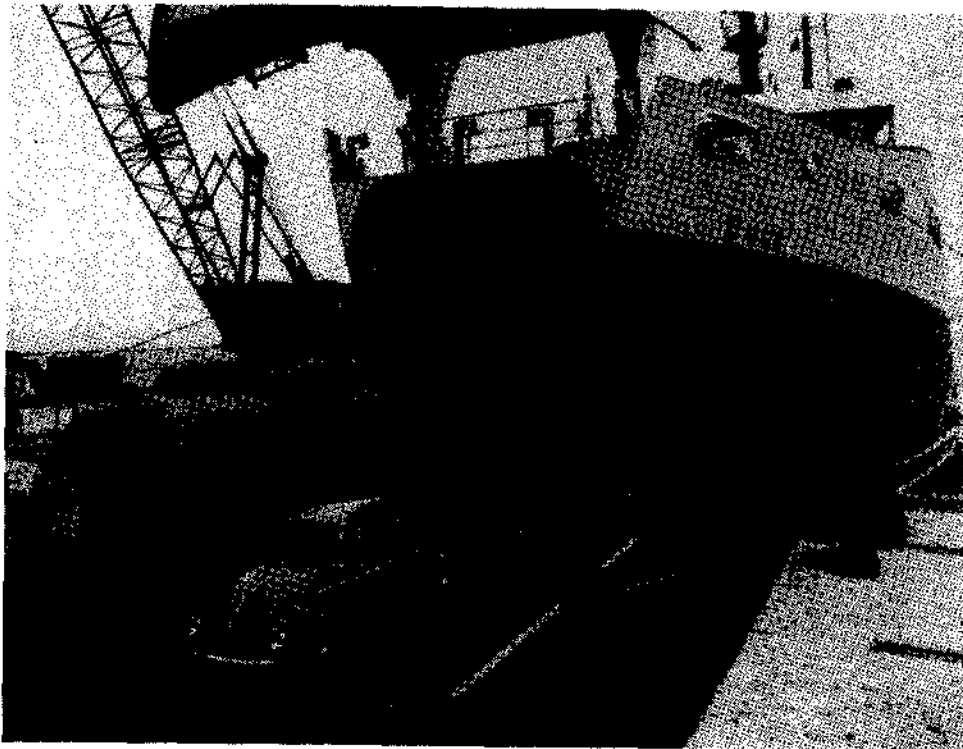
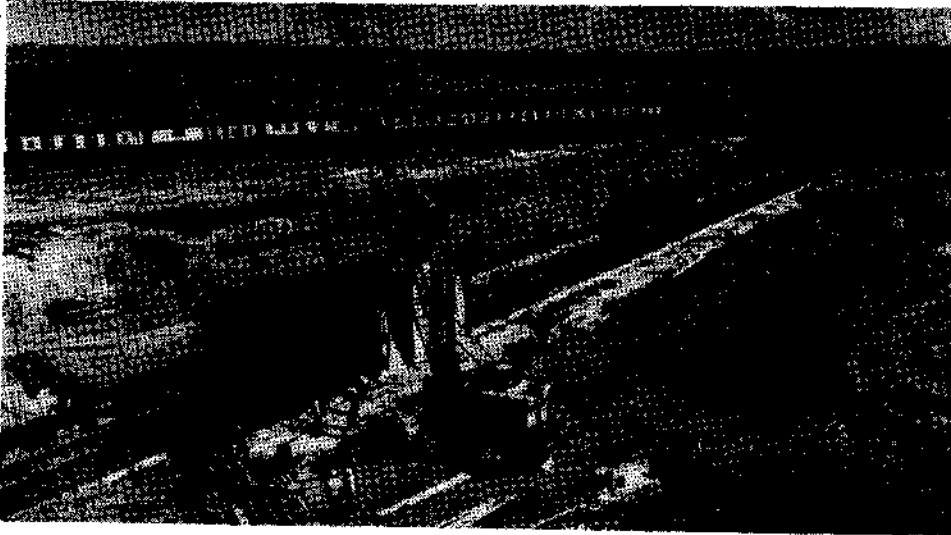
- 65 The Board's comprehensive Public Transport Timetable and Public Transport Route Map, which can be used with Travelpass, continue to be in demand. During 1976 it is hoped to make these popular publications available through additional retail outlets. An improved 1976 edition of the Timetable was published in December 1975. This earlier publication date should enable prospective visitors to plan their itinerary and book accommodation well in advance of their planned journey. Earlier publication will, however, require the issue of an amendments supplement in Spring 1976 when operating schedules are finalised.
- 66 The publication of a series of four registers, giving detailed facilities for the movement of freight by sea, air, road and rail, has been completed with the issue of the road and rail registers. It is the intention to update these from time to time.
- Road
- 67 Board staff have maintained liaison with SDD road engineers on several matters concerning the reconstruction of sections of the new A9. We have pressed for proper signposting on the new road to direct visitors to the "Spey Valley Tourist Route" by the present road, where further signposting is also needed so that hotels and other facilities served by it will be able to maintain and increase business.
- 68 On the A9 north of the Cromarty Firth, mainly because of the long distance involved and pressure on the availability of finance for road construction, our consultants recommend reconstruction of the road on a phased basis. From the northern extremity of the present commitment at Ardullie, they suggest reconstruction to provide where possible a 7.3m wide, 100kph (60mph) road from Inverness to Caithness. This would include a crossing of the Dornoch Firth, on which a specific cost benefit analysis was carried out, and crawler lanes on hills where necessary. The consultants suggest that a reconstructed A9 to Dornoch (including the firth crossing) plus the present programme of progressive improvements in Caithness and Sutherland could be completed by the early 1980's for £20 million at present prices or £3 million per annum from 1978 to 1985 with a much lower commitment thereafter.

Work progresses on the A9/A96 junction, part of the major reconstruction of the main road linking north and south.

The car ferry St Ola disgorges a vehicle passenger at the terminal.

Photo: Bill Angus

Photo: Eric Thorburn



69 In January, we assisted the Freight Transport Association to hold a seminar in Inverness on road goods vehicle legislation. 120 delegates attended. In October, we organised and ran a seminar in Shetland for local road haulage interests, who have now decided to form a Shetland branch of the Road Freight Association. A study of the EEC common transport policy was undertaken and a report was submitted to the Scottish Office and Department of Environment on the likely effects of the proposed shorter drivers' hours regulations on hauliers and their users in the Highlands and Islands.

70 Board staff have continued to assist a large number of road transport operators with problems ranging from finding a site for a haulage depot to arranging the transport of bicycle frames from Aultbea to the USA.

71 Meetings have been held with Highland Regional Council officers and the North of Scotland Transport Association Limited with a view to establishing a lorry park on the Longman Industrial estate in Inverness. Plans for the park include provision for sleeping and eating accommodation for drivers, a transit shed, a warehouse, maintenance facility and an office.

Rail

72 We have strongly supported the case made by British Rail for investment of £3.5 million to increase the capacity of the Perth/Inverness line. This improvement would cover reinstating double track for 23 miles between Blair Atholl and Dalwhinnie, new passing loops at Kincaig, Slochd and Moy, and associated modernised signalling. It would enable at least six more trains each way to be found a path and existing traffic to be handled more speedily and reliably. The need for this type of improvement, in what is clearly a primary means of access to the major oil and other industrial growth areas in the Highlands and Islands, was first raised by the Board in 1972.

73 On the North line freight traffic is relatively heavy as far as Invergordon and Fearn, being associated with single large users, while north of Fearn freight utilisation is low. Future oil-related and other projects may well increase traffic to the Caithness area and to the southern end of the line around the Cromarty Firth area. On the passenger side, however, the northern section accounts for the majority of traffic. The Board's consultants recommend that the whole of the North line be kept open as it will benefit from improvements to the Perth line and because development possibilities in Caithness exist. Also the train has advantages of comfort and interchange at Inverness, and the tourists it carries make a valuable contribution to the economy of the area. Minor capital improvements costing from £300,000 to £500,000 could permit a reduced travel time of four hours from Inverness to Wick/Thurso (4¾ hours at present).

Sea

74 In his statement to the House of Commons on 16 April outlining the arrangements for supporting shipping services to the islands, the Secretary of State for Scotland said that he had not been able to accept our renewed suggestion that charges should be based on the "road equivalent tariff". Mr Ross considered it important that such charges should continue to be related to the real costs of shipping services so as to reduce the risk of misuse of resources, and said that there would be a very high cost to the Exchequer if the Board's suggestions were to be accepted. We have pressed hard this proposal over the years and although disappointed at the outcome of this representation, we were glad to note that the Secretary of State accepted the Board's objective by subsidising Caledonian MacBrayne's RO/RO services, for the first time — to the extent of £2.25 million.

75 We are co-operating with the Western Isles Islands Council in the consideration of a suitable route and type of vessel for operation in the Sound of Harris between Leverburgh and North Uist. This could possibly be developed in association with a causeway linking North Uist and Berneray. These studies may be extended to cover the Sound of Barra crossing as well.

76 In consultation with the Scottish Transport Group and the Scottish Economic Planning Department, we have been examining how certain of the "Loch Carron's" uneconomic shipping services might be reorganised to the best effect. This work was still in progress at the end of the year. We were also involved in giving advice on solutions to the transport needs of various oil related developments.

Air

77 We are pleased with the new arrangements for some Highlands and Islands air services under which Loganair Ltd have taken over certain low density routes from British Airways (Scottish) and that government financial support is now available for these services. This will enable this pioneering airline to plan ahead with some confidence. The new arrangement has been applied to the Glasgow-Tiree-Barra route and the Stornoway-Benbecula routes. In regard to the latter route, Loganair, with financial support from the Western Isles Islands Council, have extended it to provide an internal air service between Barra and Stornoway.

78 This year also saw the introduction of BAC 1-11 jet flights between London and Inverness and a greatly improved Inverness airport at Dalcross. Because the BAC 1-11 aircraft was based at London — its Viscount predecessor was based at Inverness — an early departure from the North was no longer possible. This rendered the new facility less attractive than it might have been and the jet service was withdrawn for the winter period. We are strongly in support of jet services into the area and believe that these, together with the upgrading of Inverness airport, could play

a significant part in the development of the area and encourage greater business investment.

Versatility in action — the helicopter is becoming a frequent carrier of goods and passengers.

Photo: Courtesy PLM Helicopters Ltd.



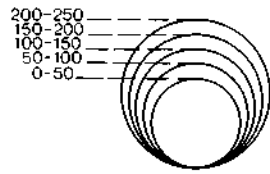
Financial Assistance and Management Services

- Grant and Loan Assistance to Industry in 1975 79 In 1975, £11.5 million was invested jointly by the Board and private enterprise in 419 projects throughout the Highlands and Islands. The economic climate in the U.K. generally tended to discourage new investment, and therefore the figures compare satisfactorily with the £10 million for 448 projects in 1974. Contrary to the national trend, the amount of private investment actually rose in 1975 — to £6.2 million compared with £5 million in 1974. A detailed analysis of financial assistance approved in 1975 is shown in Appendix VII.
- 80 The emphasis of the Board's work continues to be on the creation and retention of permanent employment in industries not related to oil and in areas not greatly affected by oil related developments. No oil related projects received Board financial assistance during the year.
- 81 The estimated number of jobs which should be created as a result of projects assisted in 1975 was 987 — compared with 1093 jobs created in 1974.
- Grant and Loan Assistance to Industry 1965-1975 82 Since the Board was established in 1965, grant, loan and equity assistance of £26.4 million has been approved for 3437 projects. The private contribution to this development was £34 million bringing the total joint investment to £60 million. The projects assisted range from the basic industries of manufacturing, fishing, agriculture and tourism to new technologies such as fish farming and electronics. The firms assisted range from one-man businesses to enterprises employing several hundred people. It is estimated that some 11,200 full-time and part-time jobs have been created or retained. The greater part of the Board's assistance has been by way of loan (£14.7 million loan and £10.9 million grant) and capital repayments and interest receipts are used to help finance new developments. Increasing use is being made of equity investment which amounted to £0.8 million in the period.
- Grants and Loans Scheme 83 As indicated in the report for 1974, the arrangements under which we operate our grant and loan scheme were reviewed in 1975, and amendments agreed with the Secretary of State and Treasury took effect on 1 May 1975. We are glad to report that the Board's delegated authority to approve

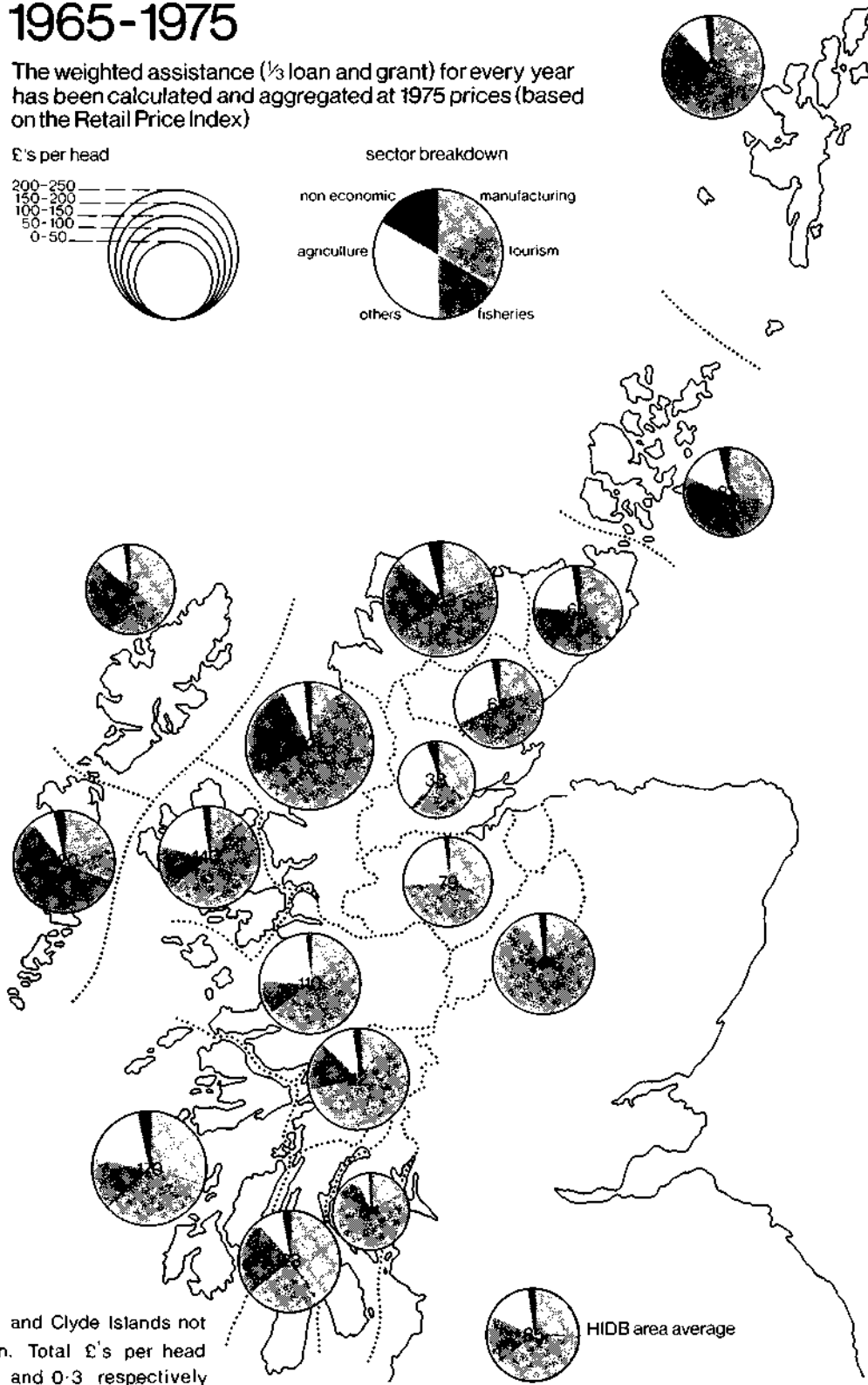
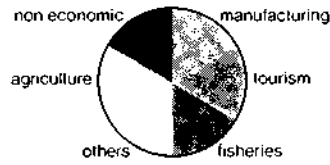
Weighted Inflated Grant and Loan Assistance per head of Population 1965-1975

The weighted assistance ($\frac{1}{3}$ loan and grant) for every year has been calculated and aggregated at 1975 prices (based on the Retail Price Index)

£'s per head



sector breakdown



Nairn and Clyde Islands not shown. Total £'s per head are 3 and 0.3 respectively

HIDB area average

assistance was increased from up to £100,000 to up to £150,000 per project, and assistance up to a maximum of £300,000 can be given with the approval of the Secretary of State. To simplify the administration of small loan cases, we were also given discretion to offer loans of up to £3,000 without taking formal security. This provided an opportunity to revise and standardise the legal documentation of these small loans and of cases where grant only was approved with the aim of reducing the time taken between approving and paying out the funds. Authority was also given to the Board to raise the limit of non-economic grant assistance to £6,000 for individual projects.

- | | | |
|---------------------|----|--|
| Repayment of Loans | 84 | During the ten years to 31 December 1975, loan repayments and interest from projects assisted amounted to nearly £5.7 million. In 1975 the figure was £1,141,000 compared with £989,000 in 1974. |
| | 85 | Over the same period, loans totalling £12.3 million have been advanced to 1285 projects and of this we have had to write-off a sum of £473,112 (3.8% of all loans advanced) in respect of fifty-two projects. A further eighty-four projects have either ceased trading or are expected to cease trading and we estimate that it may be necessary to write-off a further sum of up to £351,671 (2.9% of all loans advanced) in respect of these cases. |
| Management Services | 86 | We continue to attach great importance to the after-care of projects assisted, and in carrying out this function the Management Services staff of the Board's Finance Division offer management and accountancy advice giving emphasis to the importance of maintaining adequate and up-to-date financial and other records of the activities of the business. Wherever possible, we try to give special attention to the problems which are inevitably encountered by businesses setting up or endeavouring to develop in areas remote from the main markets and to assist small businesses which do not have the full complement of management skills. |
| | 87 | We continued with our programme of seminars for professional and business people to discuss ways in which both the professions and the Board could improve services to developing businesses. Well attended and successful meetings were held at Lerwick in February and at Stornoway in June. |
| | 88 | Following discussions with the Western Isles Islands Council, we decided to establish an office in Stornoway to provide a local centre for the processing of applications for financial assistance. The new office will also offer the normal after-care services at present provided from Inverness. |
| | 89 | During the year a computer unit was installed in our Inverness offices to process the increasing volume of |

financial data and statistical information on the Board's work.

Non-Economic
Grants

90 The number of applications for non-economic or social grants continues to increase, and during the year we were glad to be able to approve financial assistance for seventy projects to the extent of £129,341. These projects included village halls, community centres, sports facilities and piped television. Assistance was also given to the promotion of the arts and the Gaelic language. In many instances, the Board's support was given in association with grants from local authorities, the Scottish Sports Council and Scottish Education Department, together with a contribution, usually on a £ for £ basis, from the local community. In other cases, the Board is the only source of financial assistance for desirable social projects, and the small fund we have available — £120,000 a year — is heavily over-subscribed.

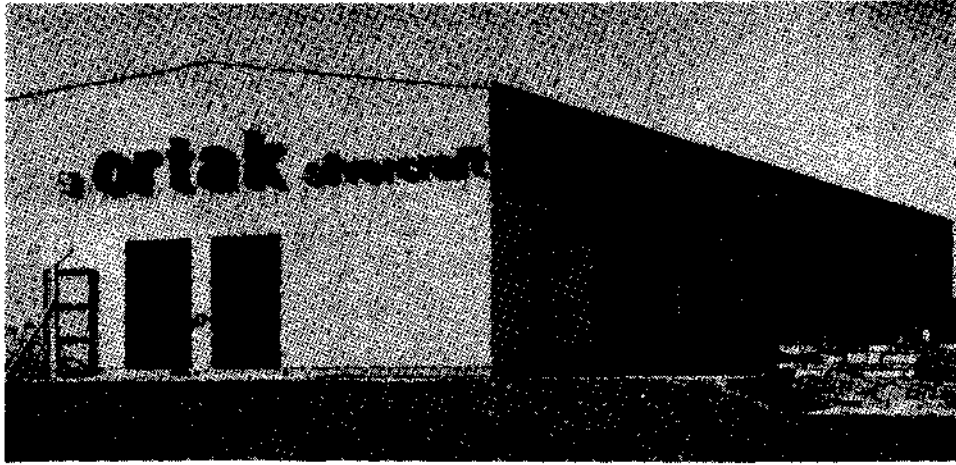
Industrial Development and Marketing

General Introduction

- 91 1975 produced some notable 'firsts' in the Board's industrial development and marketing work. The first results emerged of our efforts to stimulate the development of a significant electronics industry in the Highlands and Islands: assistance was approved for a new Scottish firm to set up an electronics assembly and manufacturing venture in our advance factory at Wick, and, towards the end of the year, agreement was reached on terms of assistance for a manufacturer of oscilloscopes in Inverness. The firm involved in the Inverness project originates from California, and is the first American firm — apart from those involved in the offshore oil industry — to establish a manufacturing enterprise in the Board's area. On the marketing side, we undertook our first overseas marketing mission, when staff accompanied a party of eleven firms from the Highlands and Islands on a two-week selling visit to New York and Toronto. The Highland Trade Fair in October catered for a record number of exhibitors, most of whom achieved a very satisfactory level of business, and a new Food 'Mark' (which certifies that specified food products are of Highland and Island origin) was introduced and adopted by various food processors in the area. Our efforts in relation to oil-related activities concentrated mainly on the promotion of Caithness as a centre for the provision of services for the maintenance of offshore installations and equipment, and as a residential centre for the men manning the offshore production platforms. Good progress was achieved with these projects.
- 92 Another important factor in the industrial situation was the continuing buoyant demand for labour by the major fabrication yards engaged in work for the offshore oil industry. This was particularly true in the case of the yards at Ardersier and Nigg — where substantial additional investments were announced during the year — and the new yard at Kishorn. This did much to cushion the impact of a series of industrial closures, particularly in the Inner Moray Firth area. We estimate that the total number of directly oil-related jobs in the Highlands and Islands rose from about 5,700 to 8,100 during the year; while most of this increase was attributable to the concrete platform yards at Ardyne Point and Kishorn, there was also a net increase of about 800 jobs in the Inner Moray Firth.

*A Board built factory in Orkney . . .
... gives space to craftsmen whose product sells at home and overseas.*

Photos: Courtesy Phoenix Photos



93 In other respects it would be fair to say that 1975 was the year in which the economic recession began to have a noticeable impact on industry in the Highlands and Islands. The flow of inward investment inquiries, particularly from England, diminished noticeably. In view of the prevailing economic climate, we decided to shelve plans for a major promotional effort, and concentrated mainly on building up links with the electronics industry. We were able to approve assistance for a number of new industrial and commercial businesses throughout the year, but most of these were small in scale; the larger projects generally involved established firms who required finance for expansion, diversification or modernisation, or for working capital purposes.

94 We have been able to help some firms who have encountered liquidity problems as a result of the recession. A more fundamental difficulty arises when market demand for a firm's products collapses with little warning; unless the firm concerned can adapt quickly to supplying other markets, financial support is of little relevance, and it is this type of situation which has underlain several of the factory closures that took place during 1975. The colder economic climate and the sharp increases in the costs of personnel and freight transport have also influenced some companies with geographically dispersed manufacturing activities to economise by closing down satellite factories in our area. Several 'branch factories', however, continue to flourish in the Highlands and Islands and make a valuable contribution to the area's economy.

95 Following the completion of the advance factories at Thurso and Wick, we did not proceed with further advance factory construction as there were several vacant factories and workshops available at different locations in the Highlands. Towards the end of the year, however, prospects of finding tenants for most of the vacant buildings began to improve. Our programme for the acquisition of small sites suitable for modest industrial developments encountered many difficulties and delays, but there were encouraging signs towards the end of the year that some of these problems were being resolved.

Promotion

96 In view of the continuation of the depressed national investment climate, which had characterised 1974, we decided not to proceed with the major industrial promotion campaign during the year. The situation was kept under review and plans were maintained which could be put into operation at any sign of an improvement in the national economy. We did proceed with the preparation and distribution, on a selective basis, of a special leaflet particularly aimed at the electronics industry, including US electronics companies interested in establishing an EEC base. Press advertising was confined to placing advertisements in appropriate special features. Our involvement in

a number of major exhibitions widened our range of contacts with companies with a potential interest in re-locating in the Highlands and Islands. Despite the low level of promotional activity, some interesting industrial development enquiries were received, and a number of new ventures were at various stages of negotiation at the end of the year. In the latter part of the year we concentrated on the preparation of a new industrial development brochure and supplementary literature in anticipation of an improved economic climate in 1976.

- 97 We continued to use our mobile exhibition caravan throughout the area in an attempt to stimulate locally-generated development projects. Following the extension of the Board's area, the caravan provided an excellent means of disseminating information on the wide range of financial and other help which we can give to local projects.
- Marketing
- 98 In February, we again sponsored the participation of a number of craft businesses at the International Gifts Fair in Blackpool. This type of marketing help is greatly appreciated by local businesses.
- 99 In March, for the third year in succession, we had a stand in the Food Hall of the Paris Agricultural Exhibition. This was a joint venture with the Scotch Quality Beef and Lamb Association and other Scottish companies in the food and drinks trade.
- 100 Also, in March, we accommodated eleven local food processors on the Board's stand at the Scottish Hotel and Catering Exhibition in Glasgow. This exhibition has proved to be a particularly important sales opportunity for local manufacturers selling to the Scottish hotel trade.
- 101 In October, our fifth Highland Trade Fair was held in Aviemore. Nearly 200 companies were represented and over 1,300 wholesale, retail and mail order buyers from the UK and overseas visited the exhibition. This annual event continues to grow in stature and importance as a prime selling opportunity for local manufacturers and is an important factor in the viable expansion of smaller businesses in the area. Our display centre in Church Street, Inverness, which provides an important sales link between craft manufacturers, tourists and local retailers, dealt with nearly 12,000 consumer enquiries during the year. In addition, our marketing section dealt with 181 trade enquiries of which 68 were for export.
- 102 As part of the expansion of our marketing work we organised a trade mission to North America in November. Eleven local companies took part, and three-day trade shows were held in New York and Toronto. Time was also allowed for participants to make follow-up calls within the New York and Toronto areas. The majority of companies

enjoyed good business and a satisfactory number of sales contracts and agency agreements were concluded. Invaluable help was received from the British Trade Development offices in both New York and Toronto, and the favourable results encourage us to plan similar missions in future.

103 We now operate three Trade Mark Schemes — the Craft-made Mark, the Shetland Knitwear Mark and the Highland Food Mark. The latter was introduced to the trade at the Scottish Hotel and Catering Exhibition in Glasgow in March and the Mark will be incorporated within the packaging of a number of local food manufacturers and processors.

Crafts

104 Financial assistance was approved during the year for fourteen new craft businesses setting up in various parts of the area. These included a silversmith in South Uist, a knitwear venture in Skye, woodturning in Mull, and pottery businesses on the island of Rousay, Orkney, at Carradale, Argyll, Lochinver, Sutherland, Thurso, Caithness and at Strathcarron in Wester Ross. We continued to be represented on the Joint Crafts Committee for Scotland. We also continued to help finance the Scottish Crafts quarterly publication "Craftwork", and are represented on its editorial board.

105 During the year, we commissioned a consultant to undertake a study of the feasibility of establishing a craft training centre located in the Highlands and Islands. The study should be completed early in 1976.

Projects

106 Financial assistance was approved during the year for fifty manufacturing and processing projects, compared with fifty-six in 1974. However, the total Board investment which this represented rose from about £840,000 in 1974 to £1,180,000 in 1975, with the increase almost entirely in the form of a loan or equity finance (as opposed to grant). New businesses assisted included printing ventures in Stornoway and Fort William, shellfish processing at Helmsdale (Sutherland) and Tarbert (Argyll), a sawmill in Mull and the manufacture of timber house kits in Shetland. In addition, we helped to finance the development costs of a number of existing businesses during the year. These included engineering and metal fabrication in Inverness, printing in Oban, fish processing in Mallaig, pottery in Skye, shinty stick manufacture in Kingussie, a bakery in Stornoway, and manufacture of soap at Lentrán, Inverness. We continued also to support key developments in professional and commercial services and in the service trades, mainly in the remoter parts of the area. Thirty-seven projects in this category were assisted, compared with thirty-nine in 1974; but the total Board investment increased from about £420,000 to £620,000. Types of business assisted included a design studio for Shetland knitwear, a dental laboratory, a launderette, electrical contracting, and plumbing. For some time we have been

concerned about the lack of building trades in some island locations where there seemed reasonably good prospects for businesses of this type. In an effort to see how best the Board might help small builders to expand we made direct contact during the year with all building contractors in South Uist and Barra, and later invited them to discuss their problems with staff at a meeting in South Uist. As a result we expect to see an expansion of one or two of the firms concerned. We hope to carry out a similar exercise on other islands.

Sites and
Buildings

- 107 Good progress was maintained in our industrial building programme. At Kirkwall a 5,000 square foot factory is under construction for a local silvercraft manufacturer, and at Weisdale, Shetland, work commenced on a 600 square foot extension to a factory which the Board leased some time ago to another silverware manufacturing business. As part of the development of the knitwear industry in Lewis, a 5,000 square foot factory was constructed at Shawbost on the West Coast of the island. This has been leased to a group who have extensive knitwear manufacturing activities in central Scotland and in other parts of the Western Isles. At Thurso we added a 7,000 square foot extension to an existing Board factory which is leased to a manufacturer of industrial protective clothing. Other buildings erected during the year to meet the specific needs of developers were a 6,500 square foot extension to the distribution depot leased to a farmers co-operative at Oban, and a 7,000 square foot factory for leasing to a precision engineering company at Kingussie which had outgrown its original premises.
- 108 Towards the end of the year we placed contracts for construction of a 2,500 square foot factory at Lochgilphead for leasing to a manufacturer of soft toys, and a 12,000 square foot factory at Kingussie for leasing to a pottery manufacturer.
- 109 Two advance factories, each of 8,000 square feet, at Wick and Thurso were completed during the year. The Wick factory has been leased to an electronics manufacturer whose parent company operates in central Scotland. At Aviemore, two semi-detached units of 1,200 square feet each were built. One has already been leased to a small company which manufacture ski caps and other items of knitwear. At Aultbea a 1,500 square foot advance workshop was completed and leased to a manufacturer of bicycle frames.
- 110 We mentioned in last year's Report that we had decided to build a centre at Mallaig for leasing to the Royal National Mission for Deep Sea Fishermen. Unfortunately, construction work has been delayed because tenders for building work were higher than anticipated. Amended plans have been drawn up in consultation with the Fishermen's Mis-

sion, and we hope that a start to the centre will be made soon. Because of the importance of having serviced land readily available for industrial development, we acquired a small site at Thurso adjacent to land already owned by the Board. We have continued to seek out and acquire small sites of up to half-an-acre in size in some of the more remote locations in the Highlands and Islands to hold in readiness for the construction of workshops as and when required. Progress has not been as speedy as we would have liked, and this underlines the importance of having land in Board ownership so that time is saved in the process of site acquisition when we are ready to build a unit at a particular location.

- Harris Tweed 111 The decline in the sale of Harris Tweed over the past few years has been a matter of concern. In our last Report we explained that a number of steps had been taken in exploring the possibility of introducing power-driven double width looms into the industry. Three such looms of different makes were tested in Stornoway during the year and a fourth, British made machine, is being studied. The committee, set up to consider how double width weaving might be introduced into the industry, met several times and some measure of agreement on the proposals was reached. The Harris Tweed Association will not apply to the Department of Trade for an amendment to the Orb Trade Mark regulations to allow for power-woven tweed until they are satisfied that a consensus of opinion in favour of the proposals exists throughout the industry. It is hoped that agreement on the proposals can soon be reached and further meetings will be held with this end in view. During the year some restructuring of the industry took place, and we invested a substantial sum, largely by way of equity capital, in one of the major groups involved.
- Minerals 112 Activity by mineral companies in the Highlands and Islands has continued to be very limited during the year. The only exception has arisen from the need to produce substantial quantities of aggregates for the construction of concrete oil production platforms at Ardyne Point and at Kishorn.
- 113 We continue to seek developers for various mineral deposits, and during the year interest has been shown in Durness feldspar, Skye diatomite, lithothamnium (off the West Coast), various high grade quartzite deposits, limestone for agriculture in Shetland and Argyll, slate waste on the island of Luing, Harris anorthosite, Eday sandstone and Caithness peat.
- Oil Related 114 During 1975 there were further important oil discoveries in Activity the northern North Sea. However, the absence of more orders for the construction of oil production platforms during this period has created worries about future continuity of employment in the fabrication yards, most of which are located in the Highlands and Islands. It has also meant that there is no work yet for the yard built by the

Government at Portavadie, and that a start has not been made with the yard for which planning permission has been given at Campbeltown.

- 115 The yard at Arnish Point, Stornoway, came into service and at the end of the year barge fabrication work was in progress. Training schools are in operation for school leavers and adults. This yard aims to secure orders for a variety of fabrications, including deck structures for production platforms. The slow down in the placing of platform orders will mean a slower than anticipated build up of the labour force. Whatever its ultimate scale of activity, this particular project is of the utmost importance to the island of Lewis. The present employment forecast is 850 by 1980.
- 116 Work on the major pipeline and tanker terminal at Sullom Voe, and the smaller one on Flotta in Scapa Flow, has continued. Oil is expected to flow to Flotta in 1976 and to Sullom Voe in 1977. At the end of the year a decision was awaited from the Secretary of State for Scotland on a planning application by the Cromarty Petroleum Co to build an oil refinery, tank farm and shipping terminal at Nigg in Easter Ross.
- 117 Our vigorous promotion of Caithness as a location for a maintenance centre to service some of the developed North Sea oilfields continued. We have been successful in bringing together twenty-two companies, and a major consortium is being formed able to offer a comprehensive range of services. The participants include divisions from a number of British companies of international standing. The offshore maintenance market can only develop as the platforms and pipelines are completed and, in the meantime, other offshore work is being sought. Two participants in the consortium have made proposals for the development of port facilities — one at Scrabster and the other at Murkle Bay. Another company is well advanced with plans to write and print production platform operation and maintenance manuals, and to set up a computer operated platform training simulator.
- 118 We participated in international oil exhibitions at Houston (Texas), Brighton and Aberdeen. At these exhibitions a particular feature was made of the Board's proposals for Caithness. During the year the staff interviewed several hundred firms seeking information on oil-related activity and looking for ways to participate. Our promotional literature was in continuous demand in the UK and overseas, and staff gave talks to commercial, university and technical institution audiences on development opportunities in the area.
- 119 During the year work commenced on setting up the Government's deep water diver training school at Fort William. This facility, together with the adjacent UEG

Underwater
Technology

Trials "underwater test range" (which is assisted by the Board) provides a base on which we shall endeavour to promote further offshore research and development activities.

Technical Advisory Service 120 The depressed economic situation made firms in the area increasingly aware of the need to make the most efficient possible use of the facilities and skills that they possess, and this stimulated further interest in our Technical Advisory Service. In some cases we were able to suggest alternative methods of manufacture; in another, an alteration which we recommended in factory layout resulted in quite a dramatic increase in productive capacity, enabling the firm to consider serving additional market outlets which had previously been beyond their reach.

121 We maintained close liaison with the Centre for Industrial Innovation at Strathclyde University with a view to collaborating in the development of new products or inventions which could be suitable for manufacturing in the Highlands and Islands.

Manpower Services

122 As the year progressed, the effects of the national economic recession became increasingly evident in employment amongst manufacturing companies, particularly in the non oil-related sector of the area's economy. Several factories were closed down completely, with a total loss of well over 100 jobs, while other employers were compelled to reduce their labour forces. On the other hand, there was a brighter aspect to the situation: as mentioned in paragraph 92 above there was a substantial net increase in oil related employment within the area during the year. The Atomic Energy Authority indicated that only a very gradual reduction in the total numbers employed at the Dounreay Experimental Reactor Establishment was expected during the next few years. Demand for labour by new employers coming into the area continued at a fairly buoyant level. Staff handled about 20% more enquiries than in 1974 from employers seeking services on recruitment and related matters, and a number of vacancies were known to be filled as a result. A survey of more than 3,000 advertisements in the national press showed that after May there was a dramatic fall in the number of opportunities in the labour market. Although this reflected the national position, it is encouraging to note that unemployment rose less in the area than might have been expected on the basis of past experience. There were, of course, pockets of very high unemployment in some parts of the Highlands and Islands.

Counterdrift

123 The Counterdrift Register continued to handle a satisfactory level of enquiries, and the number of people on the Register increased by about 500 during the year. Most of the newcomers to the Register were people with professional, scientific and managerial skills. An analysis of the

registrants by key occupations is set out in Appendix VIII. We conducted a seminar in London for registrants who had expressed an interest in investing money in new Highland business ventures, as a result of which one venture in the tourism field is now in preparation, and others may follow in due course.

124 In the latter part of the year, the Scottish Special Housing Association sought information on the housing requirements of our Counterdrift registrants. Information was provided on 1,200 people who were seeking rented accommodation and these people were subsequently asked to say whether they wished to take advantage of an opportunity to move to the Easter Ross area where some housing was available. As there were jobs vacant for people with particular skills in Easter Ross, 'Counterdrift' was able to help match people with jobs and houses.

Training

125 Pending clarification of the role to be played by the Training Services Agency in industrial training in the Highlands and Islands, our financial involvement in knitwear training lapsed during the year, and our support for the presence of a representative of the Construction Industry Training Board in the area was discontinued following the introduction of new financial arrangements by that Board. At the same time, we regard the provision of improved training services as essential if the development of the area is to continue satisfactorily. We hope to identify more effective means whereby we can supplement the services provided by central Government agencies and the technical colleges.

126 We continued to be represented on the Highland Joint Committee of Industrial Training Boards, and to maintain liaison with the individual industrial training boards and with the Employment Service Agency and Training Services Agency. In recognition of the special training needs of the Highlands and Islands, the Highland Joint Committee appointed a full time Secretary, who will be responsible for promoting and co-ordinating the work of the Committee. We continued to meet 50% of the costs of providing an itinerant instructional service in the maintenance of farm machinery, including welding, as administered by the Agricultural Industry Training Board.

127 The scheme for the provision of practical advice and financial help to people throughout the area to enable them to take special, short training courses in craft and other skills continued to operate satisfactorily. The object of this scheme is to help people develop skills which will provide them with a supplementary source of income. Much interest has been shown in the scheme by people in the islands and remoter communities, and some of those previously trained have now applied for more advanced courses.

- Business Management** 128 Following successful completion of an initial, two year pilot project, the Scottish Business Education Council's co-ordinating committee for correspondence courses for mature students in the Highlands and Islands proceeded with arrangements for the first of a regular series of courses leading to the Scottish National Certificate in Business Studies. We were associated in an advisory capacity, and provided a financial contribution towards the cost of a promotional and publicity campaign for the course. These courses are intended for students over the age of 20 who, for reasons of geography or physical handicap, are unable to attend instruction at a further education college or centre. They are the first of this type to be provided in Britain. As a result of the promotional campaign, 90 enquiries were received from many parts of the Highlands and Islands, and thirty-seven applicants were enrolled for the new course.
- Business Directory** 129 We are reviewing the Directory of Industry, Commerce and Public Administration, first published by the Board in 1973. A specialist in information sciences was engaged for a six month period to prepare a directory, with a new layout, and the new edition will be published in 1976.
- Schools/Industry Liaison** 130 In April, we published the report of an independent working party on schools/industry liaison in the Highlands and Islands. This comprehensive assessment of a schools/industry liaison structure was well received, particularly by the Scottish Committee for Schools/Industry Liaison.
- Liaison** 131 The second three-day schools conference to be sponsored by the Board was held in Aviemore in June under the chairmanship of the Rev Murdo Nicolson, Convener of the Highland Regional Council. The theme of the conference was "Schools and Industry in the Highlands and Islands", and about 240 senior pupils from schools throughout the area participated. The reaction of the pupils to the content of the programme was positive, though not entirely uncritical, and the discussion sessions were particularly useful. The Scottish Committee for Schools/Industry Liaison welcomed the Board's initiative in sponsoring the conference.
- 132 As a means of furthering schools/industry liaison, we subsequently introduced representatives of the Industrial Society's Youth Division to a number of schools in the area. The Society promotes the well-being and involvement of young people at work, and undertakes schools conferences to provide fifth and sixth year pupils with an insight into some of the challenges of industry. Conferences were held at schools in Golspie and Portree, and others were scheduled to take place at Inverness, Thurso (also covering Wick) and Oban early in 1976.

Tourism

- 133 At the request of the Minister of State at the Scottish Office, and following discussion with the Scottish Tourist Board, we gave views on how our policy for tourism fitted in with national policy as announced in November 1974. We welcomed the aim that public expenditure on tourism should be directed towards fragile areas, especially where there is untapped tourism development potential. In our view, the whole of the Highlands and Islands must be considered a fragile area, and tourism an essential development tool. In regard to the Government's desire to see a higher proportion of self-help from the more prosperous areas, we pointed out that the area in which the Board operates has a low population widely dispersed and consequently a low rateable value. In addition, the area's tourism industry is on the whole made up of many small businesses. We felt therefore that it would be unlikely if a high level of self-help could be forthcoming in the Highlands and Islands in the foreseeable future, apart from the increasing contributions being made by the trade and local authorities towards local promotion and the provision of information services. We also drew attention to the fact that in recent years we had operated selectively in giving financial assistance for tourism development by favouring the remoter and less prosperous districts, and by also providing at our own hand, for example, hotels in Mull and Barra, in these areas. We informed the Minister that we saw no difficulty in continuing the practical implementation, through the work of the HIDB, of Government policy for tourism.
- 134 During the year, we also commented on a paper on tourism policy prepared by the Scottish Council of the Labour Party.
- 135 The preliminary findings of the Scottish Tourism and Recreation Study (STARS) — which became available during the year — confirmed the importance of tourism to the economy of the Highlands and Islands. It is estimated that some 660,000 holiday groups — 49% of all those spending holidays in Scotland — visited the area in 1973. These groups contained some 1.7 million visitors who spent over twelve million person-nights in the area and whose total holiday expenditure amounted to some £126 million

(a proportion of which will have been spent on travelling costs outside the Highlands and Islands). The STARS study also shows that 27% of people throughout the Highlands and Islands reckoned that their work is connected with the tourism trade. The figures vary significantly in different parts of the area, rising from very low proportions in Orkney and Shetland to 40% in Skye and over 50% in the Spey Valley. The nature of tourism is such that it brings benefits to most communities, large and small, not only in economic terms, but in the provision of a range of social and recreational amenities which otherwise might be missing.

136 The dependence of tourism on the general prosperity and its vulnerability to outside factors were illustrated yet again in 1975. The serious national and international economic situation continued to affect the industry in the Highlands and Islands. The numbers of visitors remained at the 1974 level which was below the record numbers achieved in 1973. Trends, which emerged first in 1974, developed in 1975: advance booking in the first months of the year was lower than usual and slow in developing, leading to uncertainty as to the season's prospects. The continuing high cost of petrol appeared to have reduced the amount of touring undertaken, and visitors tended to spend more nights in fewer centres than previously. Fortunately, the remoter parts of the Board's area do not appear to have suffered unduly from this trend. On the positive side, the numbers of overseas visitors increased and the area is becoming prominent as an international tourist destination.

137 Despite the fact that visitor numbers did not increase in 1975, it is heartening to report that there was an increase in investment by the private sector in tourism facilities. Indeed, the interest was such that our budget for financial assistance to tourism schemes was constantly under pressure throughout the year.

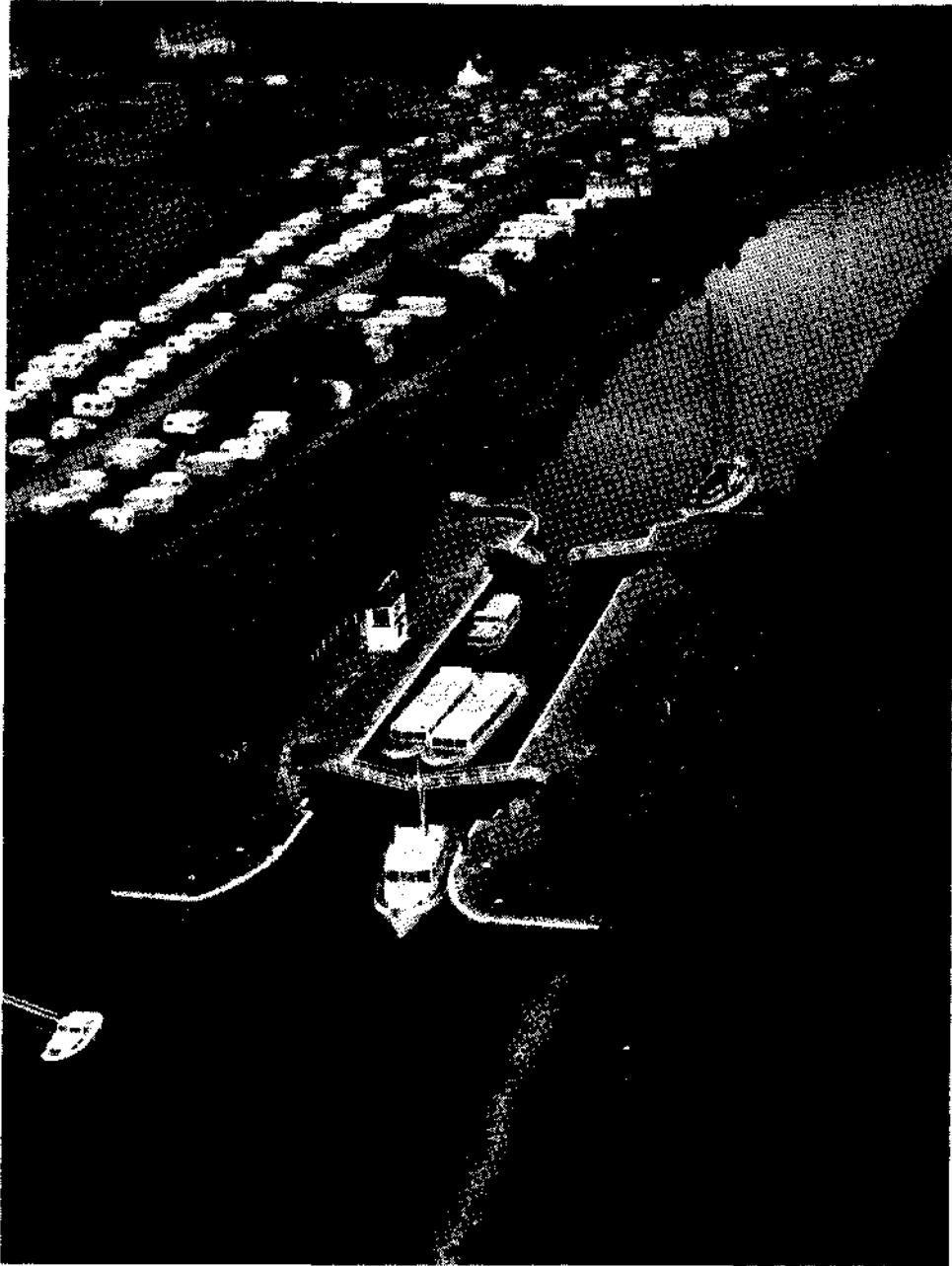
138 There were notable achievements in marketing Highlands and Islands tourism in 1975. The outstanding event was the successful launching of Tourism Tradex International '75; a trade exhibition which gave the opportunity for tourism operators in the Highlands and Islands to do business with a cross section of international travel agents and tour organisers. During the year we also published the first comprehensive travel trade manual on the Highlands and Islands — an essential tool for future work with the travel trade.

Tourism
Facilities

139 1975 was a good year for the development of new tourism facilities, particularly for salt and freshwater pleasure cruising. Board financial assistance was approved for larger, modern boats to provide passenger cruises to the Small Isles; Staffa and on Loch Etive. On the Caledonian Canal, a fleet of three waterbuses together with a new

Telford's Caledonian Canal achievement is now a popular route for waterborne tourists. At Dochgarroch Lock caravans provide another kind of holiday.

Photo: Courtesy Jacobite Cruises



cruise vessel began operations from Inverness and Banavie near Fort William giving visitors further opportunity to sail on the lochs and canals of this historic waterway. There was also further development of the self-drive cabin cruiser fleets on the Caledonian Canal. In 1975, for the first time, these facilities were marketed widely in the UK as a result of their inclusion in the brochures of the two main British firms selling this kind of holiday. The development of these fleets has brought a need for complementary shore facilities, eg. jetties, and discussions were in progress at the end of the year with interested parties.

- 140 A diverse range of marine recreation projects was also established with Board help in 1975, and there was increasing appreciation of the potential of the western seaboard for yachting. New yacht charter firms were set-up in a range of west coast locations including Bute, Oban, Fort William and Skye. In the north, Orkney Sailing Club were assisted to provide clubhouse facilities which will be available to visitors.
- 141 The development of sea angling facilities also continued during the year and financial assistance was provided by the Board for the purchase of sea angling boats at Scrabster, Gairloch and Skye. This sport has a growing market, and in 1975 at least one operator of a Board-assisted venture was able to arrange a package holiday deal with an overseas tour operator.
- 142 A variety of land based recreational projects also received Board help during the year. Bicycle hire is experiencing a revival because of the cost of petrol. This is particularly so in island locations, and hiring ventures were assisted in Arran, Skye, and in Rousay, one of the north isles of Orkney. Pony trekking is well established in the Board's area and a new venture was started in Caithness with Board assistance. A number of golfing projects were also assisted by the Board, some involving course improvements and others clubhouse extensions and upgradings. There was a welcome expansion too of one of the leading adventure centres in the west Highlands.
- 143 In November the Santa Claus Land and Highland Craft Centre, contained within the Aviemore Centre, was opened. As well as providing a shop window for a selection of the area's craft industry in a prime tourist location, Santa Claus Land is the first major, modern amenity in the Board's area catering for the young family market.
- 144 During 1975 a total of £334,000 in grants and loans was approved for 36 recreation projects in the Highlands and Islands. The comparable 1974 figures were £180,000 for 22 projects.

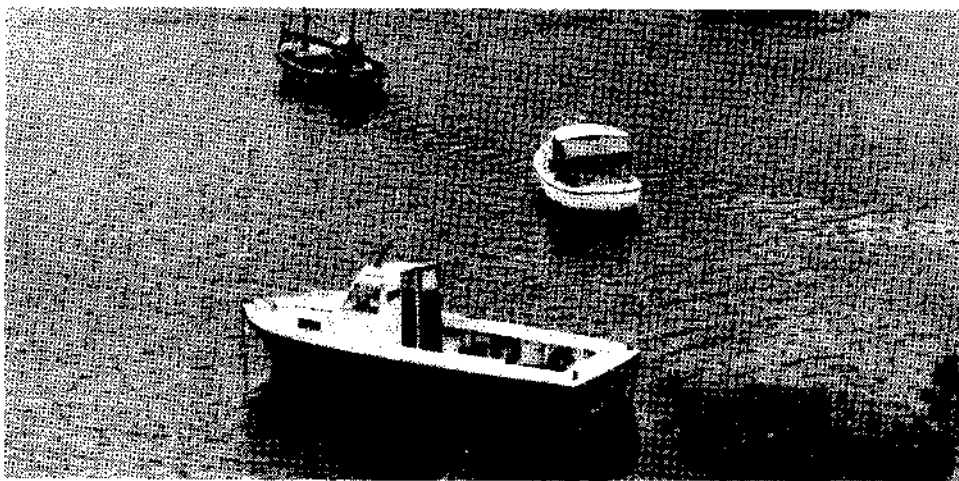
Accommodation
and Catering

- 145 We have pursued our policy of encouraging an increase in the supply and standard of accommodation and catering

"... there was increasing appreciation of the potential of the western seaboard for yachting. New yacht charter firms were set up in a range of locations ...

... the development of sea angling facilities also continued. Financial assistance was provided for the purchase of sea angling boats ..."

Photos: Rob Tweedle



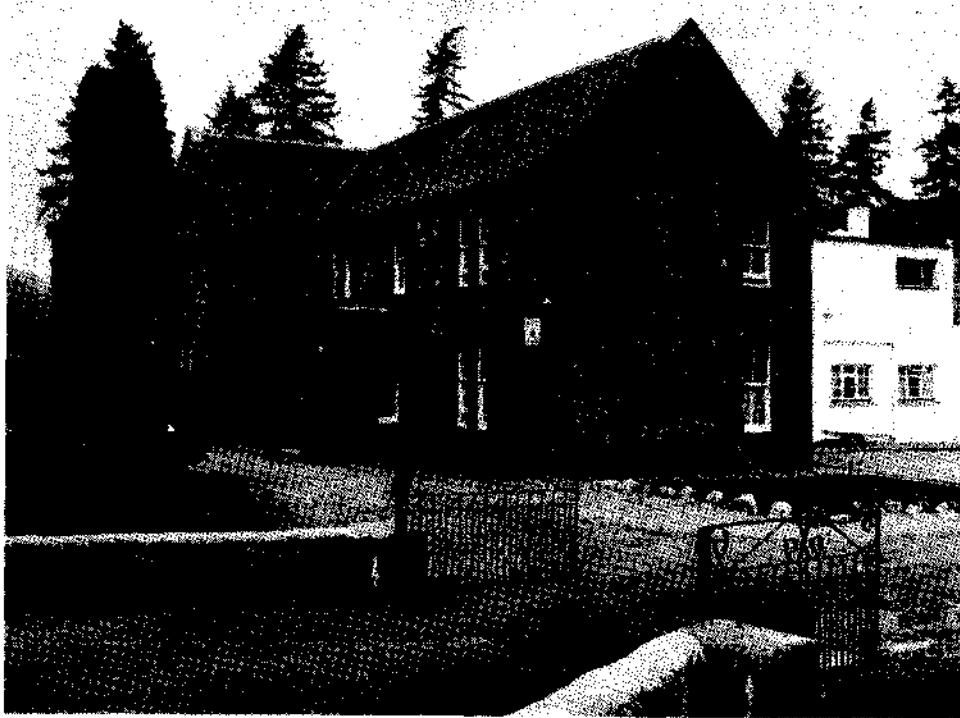
facilities throughout the area. Many existing businesses were helped to expand or improve their facilities, and projects, including new hotels and guesthouses, were assisted in the remoter areas such as Harris, Kintyre, Bressay in Shetland and Gairloch. Improvements to a guesthouse in Lewis, a small tearoom in Harris and expansion of accommodation units in Orkney, Mull and Iona, and Wester Ross were also among the projects receiving financial assistance. In total £1.1 million in grants and loans was approved for 92 accommodation and catering projects.

- 146 Among the larger projects undertaken during the year were major improvement schemes to hotels in the Outer Hebrides and Shetland. The development in Shetland will help to satisfy the heavy demand which Shetland hotels have been experiencing in recent years, owing to the increasing numbers of tourists visiting the Islands and to the rapid increase in business traffic resulting from the North Sea oil development. We were also pleased to offer assistance to a new restaurant development in Dornoch, particularly as an earlier Board survey had identified the need for such a facility in this tourist centre. In August, the third hotel in the Board-promoted Tourist Inns Scheme, the 84 bedroom Inverness Mercury Motor Inn, was opened by Lord Hughes, then Minister of State for Scotland.
- 147 Compliance with the Fire Precautions Act 1971 continues to be a major concern for the Highlands and Islands hotel industry. We have continued our policy of giving financial assistance towards the cost of fire precautions work in cases where it could be shown that there was a danger of losing jobs and tourist accommodation, and especially where there was an opportunity to carry out at the same time other improvement works. We are glad to report that, to date, there have been no significant losses of tourist accommodation in the area as a result of the implementation of the Fire Precautions Act.
- 148 The demand for self-catering accommodation continued to grow in 1975. Grant and loan assistance of £215,000 was approved for 24 self-catering projects involving the provision of 65 cottages and chalets. A ten-unit project at Dervaig in Mull and smaller schemes in Dornoch, Achiltibuie, Barra, Orkney and Shetland are examples of schemes assisted.
- 149 While financial assistance was given for the improvement and creation of caravan sites in Dornoch and at Appin, there is noticeably less interest by entrepreneurs in this type of tourist development, probably because of the uncertain and marginal economics of such businesses. There is still, however, a shortage of adequate facilities for the

"We were pleased to be able to offer financial assistance to the Scottish Youth Hostel Association for the expansion of the Loch Lochy hostel."

"The demand for self catering accommodation continued to grow. A ten unit project at Dervaig in Mull is an example of the schemes the Board assisted."

Photo: Ian Clark
Photo: Dennis Hardley



touring caravanner, and if the problem is to be solved other means of provision may have to be found.

150 Young people continued to represent a significant proportion of the visitors to the area in 1975. There is, however, a serious lack of appropriately priced accommodation for this market, and we were therefore pleased to be able to offer financial assistance to the Scottish Youth Hostel Association for the expansion of the Loch Lochy Hostel and the establishment of a new 100 bed hostel at Kirkwall. As a result of the combined efforts of the Scottish Youth Hostel Association, Ross & Cromarty County Council, Scottish Development Department and the Board the new 80 bed hostel at Loch Torridon was opened in September.

151 The two hotels built by the Board in Mull and Barra continue to make good progress. The 60 bedroom Isle of Mull Hotel and the 40 bedroom Isle of Barra Hotel are leased to Scottish Highland Hotels Limited who also operate a number of their own hotels in the area. We are currently considering the possibility of building additional hotels at our own hand in places where it appears there will be insufficient interest on the part of private developers and where such enterprises would make a valuable contribution to the economic and social development of the districts concerned.

Tourism
Marketing

152 Our tourism marketing strategy is aimed at expanding the season and improving occupancy rates in the spring and autumn; development of new markets; fostering tourism in the remoter parts of the area; and the encouragement of greater involvement by travel agents and tour operators in the promotion of the Highlands and Islands. The 1975 season started well with the expected peak at Easter. June, however, was again a disappointing month and numbers of visitors in early July were below previous year's figures. Warnings about what would happen at the height of the season proved to be unfounded as visitor numbers reached their normal level which was sustained over a six week period. There was a sharp decline at the end of August with the late season traffic being similar to that of recent years.

153 The 1975 tourism advertising campaign was carried out in the early part of the year and brought in over 115,000 enquiries for information on the holiday amenities of the area. These enquiries, together with a further 24,000 requests from other sources, were serviced with a 32 page brochure which highlighted the Spring and Autumn attractions of the area and also included information on accommodation facilities, public transport services, and the Area Tourist Organisation network.

154 This year, for the first time, the "Highland Holidaycard"

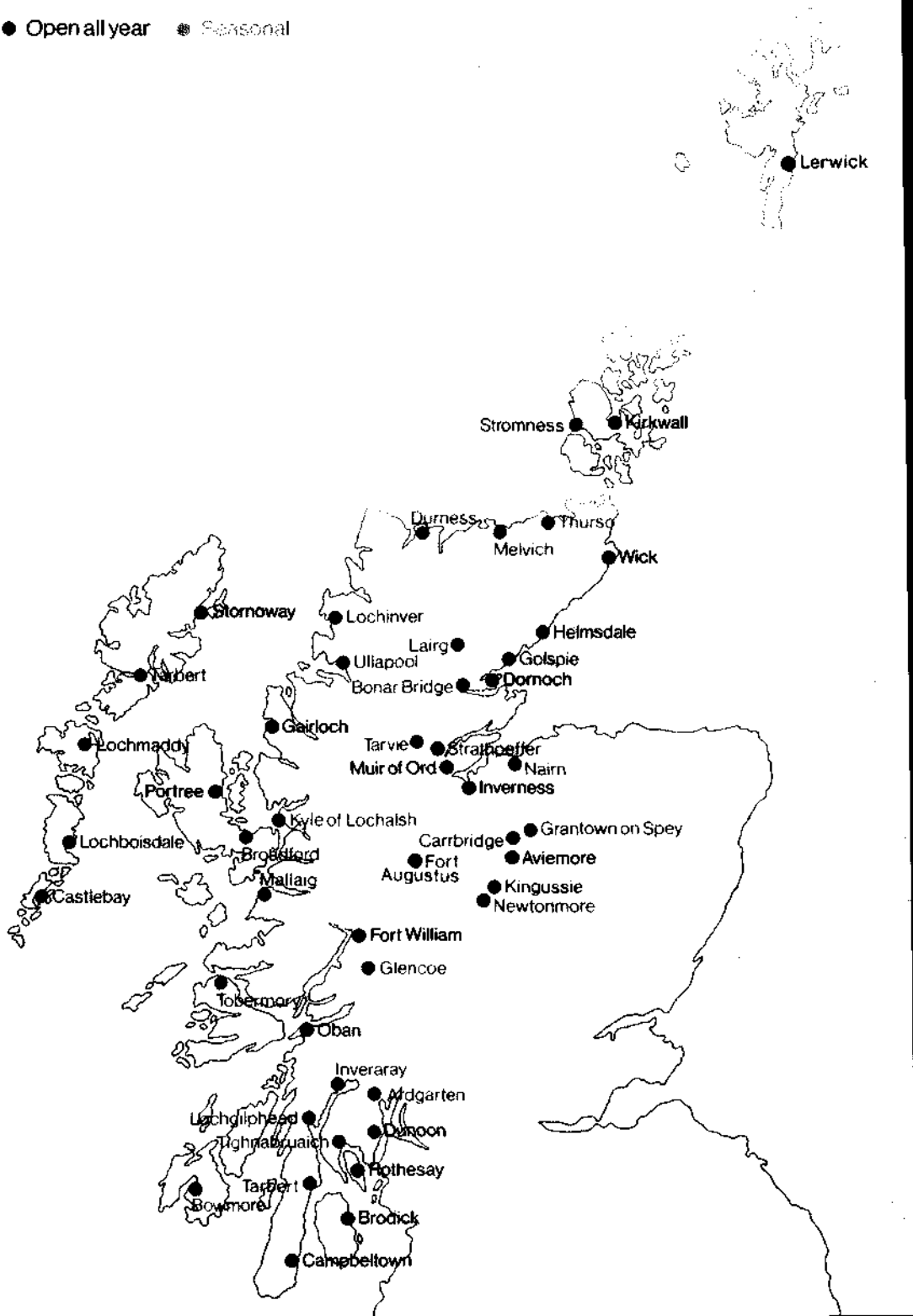
(a special Spring and Autumn incentive scheme) was included in the brochure thus ensuring its wider distribution in an attempt to encourage more visitors to come to the area during the off-season periods. The Holidaycard scheme, which operates in March, April and May and end of September, October and November, offers users guaranteed rates at 214 accommodation establishments throughout the Highlands and Islands, discounts in selected shops selling craft goods and souvenirs and reduced admission prices for certain recreational facilities and places of interest.

- 155 Regional accommodation guides were again produced based on the membership lists of the Area Tourist Organisations, and were in heavy demand. The range of information leaflets dealing with pony trekking, yachting and boating and sea angling proved popular.
- 156 The development of package holidays continues to form an important element of our tourism marketing work. During 1975 the range of packages produced were based on activity holidays which included golf, sailing, pony trekking, painting and field studies, and covered centres such as Kintyre, East Sutherland, Orkney, Mull and Spey Valley. The golf packages proved to be most popular. For the first time these packages included the alternative of air travel in addition to rail and private car. This year, we produced brochures on package holidays and 25,000 copies were distributed through the travel trade.
- 157 The brochure on winter sports package holidays covering the Spey Valley increases in popularity each year. 110,000 brochures were distributed through travel agents to the public and it is estimated that the number of bookings made increased by 55% over the 1974 figures.
- 158 We continued to augment our marketing activities through representation at a series of exhibitions during the year. In November, we participated with a number of winter sports operators in the London Ski Show. At the 1975 Boat Show we had a stand in the Centre Pool area and as a result were able to screen audio-visual presentations of the Highlands and Islands to a very large audience. Other exhibitions at which we were represented included one in a major department store in Manchester and a joint venture with British Rail at their Travel Centre in London. For the first time we undertook an overseas exhibition programme, having stands at the Paris Agricultural Show and on the British Tourist Authority's stand at the Salon des Vacances in Brussels. The interest in the Highlands and Islands at both these exhibitions was encouraging. In addition, the 1975/6 winter sports programme was featured by the BTA and a Danish tour operator at a winter sports exhibition in Copenhagen.

Highlands and Islands Tourist Information Centres

as at 31st December 1975

● Open all year ● Seasonal



159 To develop our contacts with the travel trade we also undertook a more extensive "workshop" programme. Board representatives were present at BTA workshops in Birmingham, Paris and Hamburg. The Hamburg workshop coincided with a STB/BTA/HIDB exhibition sponsored by a leading Bank. We also participated in a British Airways workshop in Paris. At all these gatherings valuable contacts were established with members of the travel trade in Britain and Europe.

160 In a further effort to stimulate an increase in the area's tourism industry, we organised an international travel trade fair — Tourism Tradex '75 — which took place at Aviemore in May. This exhibition brought together tour operators and travel agents with the accommodation and tourist facility operators in the Highlands and Islands. There were 116 stands and the exhibition attracted 300 travel agents and tour operators from the UK, Europe, North America and South Africa. A significant business deal to emerge from the exhibition was the preparation of a package holiday programme by a major Danish tour operator which will result in direct holiday flights into Inverness from Denmark. We regard this as a major breakthrough into this type of holiday business and hope that further ventures of this kind will emerge. The exhibition was considered to be successful by both the exhibitors and visitors and we therefore plan to hold a similar exhibition in March 1976.

Area Tourist
Organisations

161 We are glad to report that the new Regional, District and Island authorities supported the continuation, with slight changes, of the area tourist organisation network that has operated so successfully over the past eight years. The new authorities have also agreed to share with the tourist industry and the Board the cost of providing this essential service to tourists.

162 The tourist trade in the area is participating more fully in the running of the network of area tourist organisations. Their financial contribution to running costs is also increasing, although there is still room for improvement in some areas. Forty-eight information centres were operated in the 1975 season and the total network was responsible for placing approximately 160,000 people in holiday accommodation. It is estimated this generated at least £1 million of business.

163 Three training seminars were held for the staff of the organisations and regular meetings were also held with the Chairmen of the organisations at which future plans and prospects were discussed.

164 Good progress was made with our "rolling" programme for the building of tourist information centres. New centres were opened at Broadford, Fort Augustus, Gairloch, Dornoch and Fort William. Improvements were also made

to existing information centres at Bowmore, Lochboisdale, Durness and Kirkwall. Work is progressing on the construction of a new information centre in Aviemore and the fitting out of a centre in Oban.

- 165 A number of the organisations continued efforts to boost early and late season traffic by organising special events. Successful golf weeks were run in East Ross and Sutherland and a new golf week was held in June by the Caithness Tourist Organisation. For the first time, the Mid Argyll, Kintyre and Islay Tourist Organisation organised a seafood festival, which was well supported. The second whisky festival was run in Oban and Mull and the Wester Ross Tourist Organisation was again heavily involved in the Festival of the Countryside. The Board supported the major sea angling festival in the area, held this year in Shetland, and also provided financial aid for an early season tour of the Highlands and Islands by a company from the Pitlochry Festival Theatre.

Research

- 166 A joint report was completed by the Board and Ross and Cromarty County Council staff on the winter sports potential of Ben Wyvis. This report is now being discussed with the Scottish Tourist Board and consultation with other interested organisations will follow in due course. The results of the research into the winter sports market commissioned by the Scottish Tourist Board, Scottish Sports Council, and the Board is being discussed with the operators of the three winter sports centres in Scotland.
- 167 We also received the results of a market research study into the impact of our 1974 tourism advertising campaign, and the results are being used in planning future campaigns. An analysis was also made of the accommodation booking returns achieved by tourist information centres. This yielded valuable information not only on the business generated but also on the efficiency of the systems used.
- 168 We also continued our participation in a number of research studies with other organisations. The results of the Scottish Tourism and Recreation Study (STARS) are now becoming available and will form an important source of information on the patterns of tourism in the Highlands and Islands. A study of cruising facilities in the Clyde and West Coast was carried out in conjunction with STB and Strathclyde Regional Council.
- 169 The Hotel Occupancy Study was continued in partnership with Scottish Tourist Board. Some anomalies appeared in this study during 1975 and we are presently reviewing the method of operation with a view to improvement in 1976. We also participated with Scottish Tourist Board in a study of occupancy rates in self-catering accommodation. The final report of the study into second homes in Scotland

carried out by Dartington Amenity Research Trust for a number of sponsoring organisations including the Board, was received at the end of 1975, and is being studied.

Liaison

170 Liaison was maintained with other organisations concerned with all aspects of tourism in the Highlands and Islands. Our close partnership and liaison with Scottish Tourist Board was maintained and regular meetings were held between both organisations. We also participated in Scottish Tourist Board organised working parties on marine recreation development, caravan and camping provision and winter sports facilities. There was also liaison with the new local authorities on tourism matters.

Fisheries

171 The difficult situation in the fishing industry continued throughout 1975. Although the American market recovered a little, demand for fish continued to be light while at the same time operational costs, particularly fuel, continued to increase. Government subsidies assisted boats over 40ft to contain operational costs, but boats under 40ft were left to bear these increases. Fish prices, however, firmed up considerably in the last two months of the year and encouraged some optimism in the inshore industry. Additionally, there was a large cut-back in the catching capacity of the deep-water section of the UK fleet, partly because of the withdrawal of uneconomic vessels, but also because of the uncertainty about the future of fishing limits and expectations of greater quota restrictions. This should result in a greater share of the market for the inshore fleet.

172 A further complication this year was the availability of well-paid jobs, both ashore and at sea, with oil companies. This led to a loss of fishermen to oil-related industries, particularly in Orkney and Shetland, and owners had difficulty in finding replacements. It was to be expected therefore that some boats would fall behind in the repayment of loans to the Board. Overall, however, the position remains satisfactory, and we are glad to record that 157 boats have now repaid their loans in full.

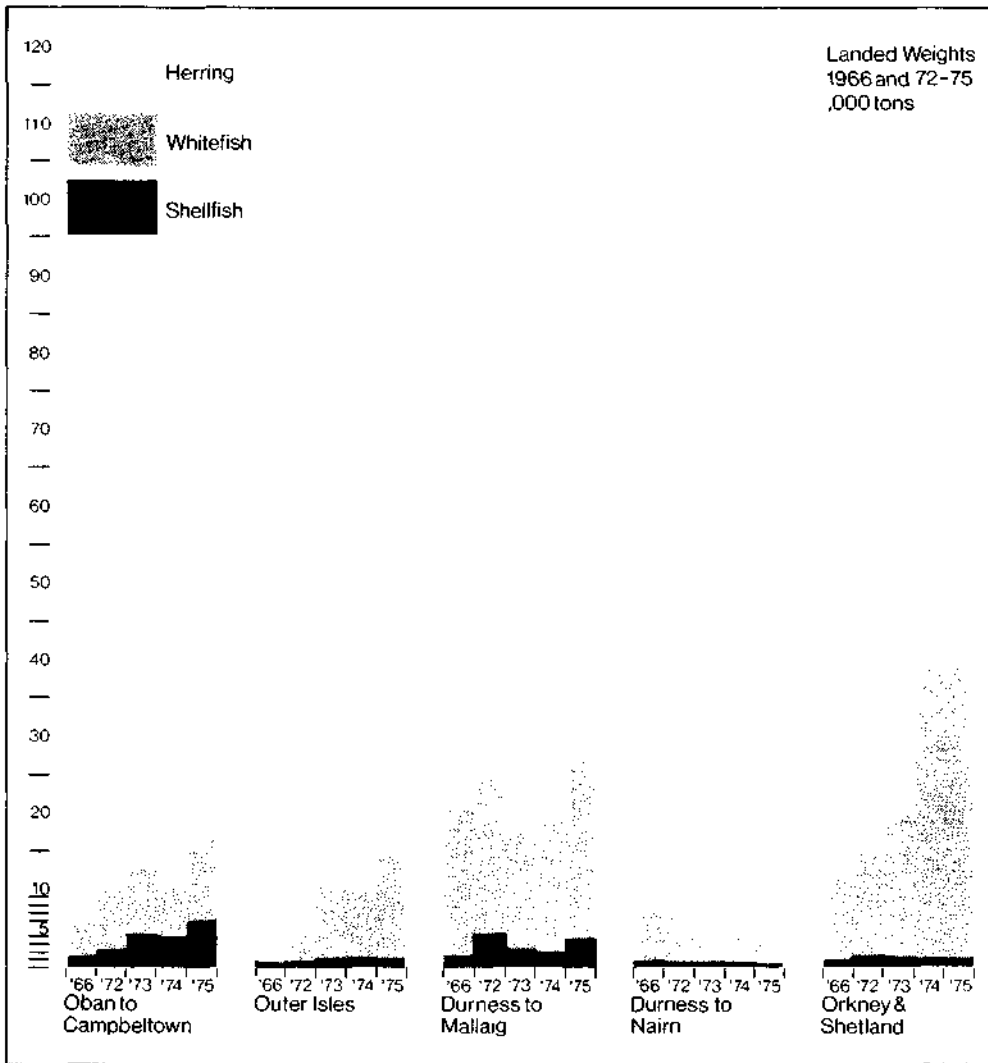
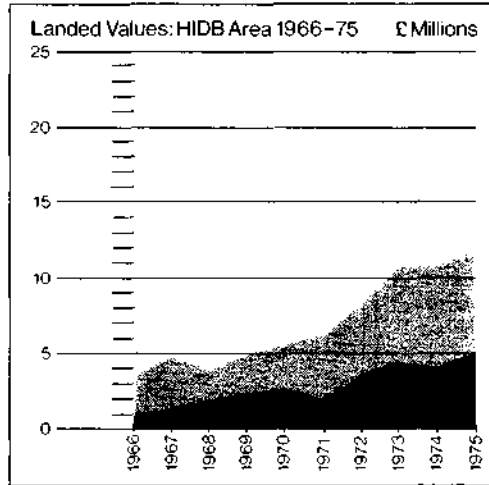
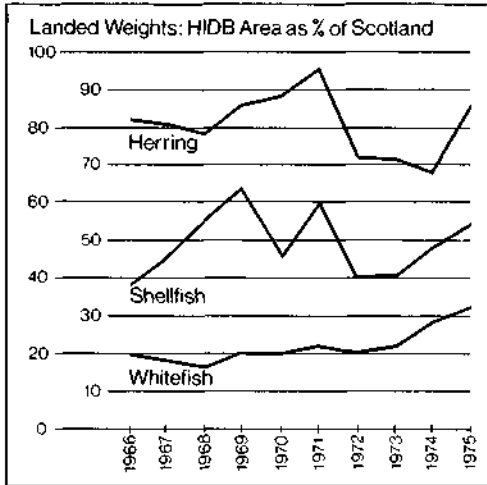
New Boats

173 The high cost of new fishing boats and the depressed state of markets again resulted in fewer fishermen in the Highlands and Islands expressing interest in the purchase of new boats in the 40ft to 80ft range. Additionally a reduction from 30% to 25% in the rate of grant assistance available and increases in interest rates made it extremely difficult for new crews to contemplate purchasing new boats, and indeed we received no applications for boats in this category in 1975.

Shellfish/Sea Angling Boats

174 For the same reasons, potential owners of the smaller new boats have had to change their plans for buying new craft. Approvals for the year stood at six only compared with twenty in 1974 — the number authorised by the Secretary of State for each of the five years to 1977.

Fisheries



Second-hand
Boats

175 The continuing high cost of new building was again reflected in an increase in the number of fishermen seeking loan assistance from the Board to purchase good quality second-hand boats, a good number of which were up for sale. The introduction during the year of new statutory safety rules for fishing boats was also a factor in the demand for assistance for second-hand boats. Owners in the Highland and Islands are anxious to replace those existing boats which might require heavy expenditure to bring them up to the required standard.

176 When it became apparent that the number of applications would be in excess of the authorised total quota of one hundred and ten, we sought and obtained the Secretary of State's approval for an additional allocation of twenty second-hand boats in substitution for the same number of new boats in the 40ft to 80ft category for which no applications had been received. In the event, we approved applications for loan assistance for twenty eight second-hand boats during the year, bringing the overall total approved to one hundred and twenty seven for the five-year period from April 1972. Towards the close of the year, it became clear that the heavy demand for good second-hand boats would continue, and we therefore sought authority to approve assistance for a further fifteen such boats to bring the total to one hundred and forty five in place of an equivalent number of new boats of the smaller category.

Grant and Loan
Assistance

177 Financial assistance of £1,669,922 was approved for the fishing industry as a whole in the Highlands and Islands in 1975, a decrease of some £366,000 compared with 1974. The total sum approved to all sectors of the fishing industry since 1965 is now over £9 million, and the number of jobs estimated to have been created or retained is approximately 2,800.

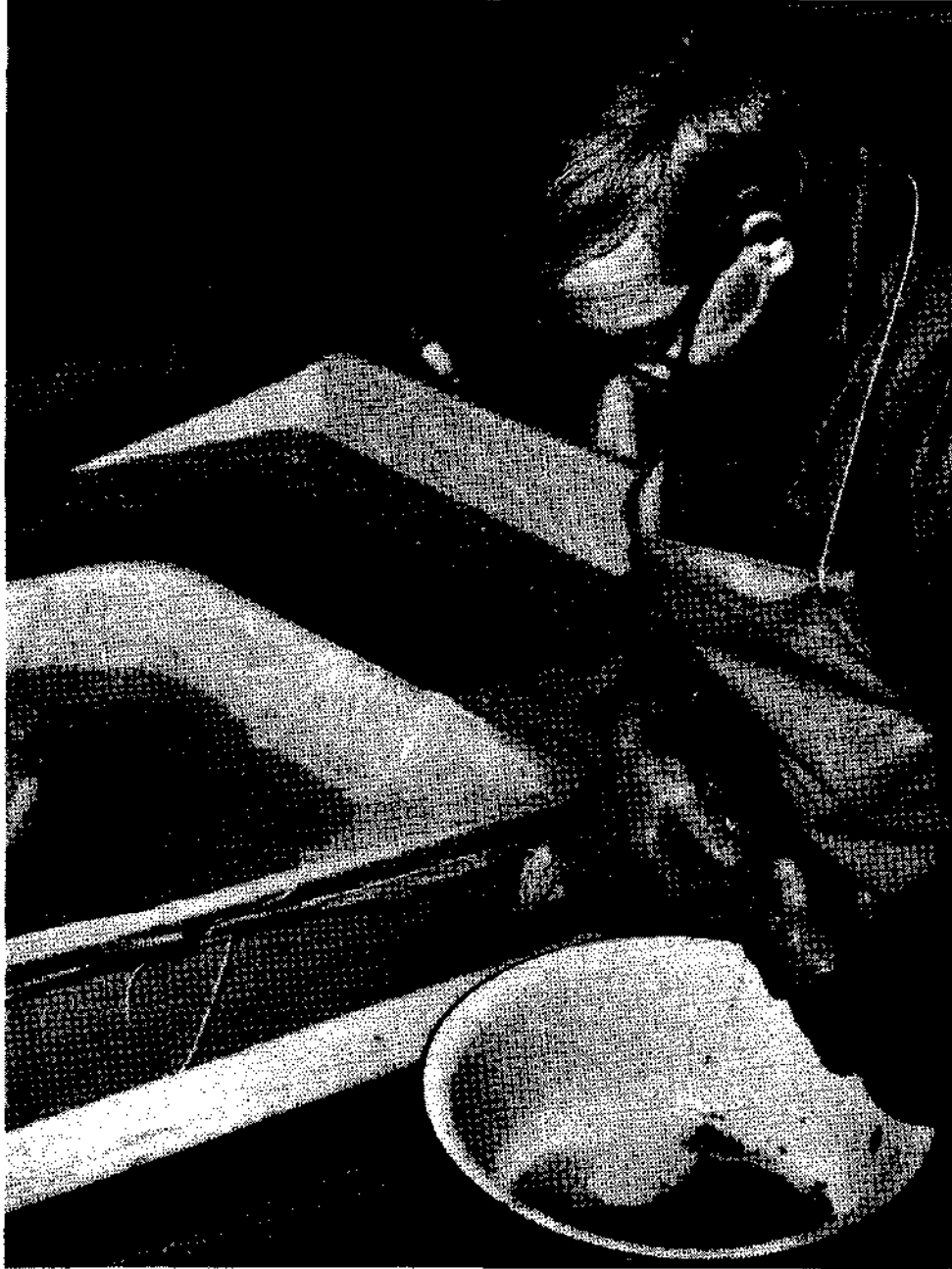
178 The assistance approved during the year complements private sector finance of £313,279 in boats and £621,567 for shore-based developments. The breakdown of assistance given is as follows:

<i>Type</i>	<i>Grant</i>	<i>Loan</i>
	<i>£</i>	<i>/Equity</i>
	<i>£</i>	<i>£</i>
Boats	110,471	1,058,334
Fish Processing and Ice Plants	75,209	148,200
Boatyards Piers and Ancillaries	15,000	15,000
Fish Farming and Freshwater Fisheries	136,708	111,000
	<u>£337,388</u>	<u>£1,332,534</u>

- Fish Processing 179 In common with most sectors of the industry, fish-processing experienced considerable difficulty during the year. This resulted in consolidation and restructuring taking precedence over expansion, and indeed most of the assistance offered by the Board in 1975 was to these ends. In the Annual Report for 1974 reference was made to the construction of a small fish-processing plant in Barra, and we are pleased to report that it is now operational. Additional cold storage facilities for the Shetland fishing industry were also opened in Scalloway during the year.
- 180 In the late 60's and early 70's most of the whitefish processed in the Board's area was destined for the American market, but over the past two years demand in that country has slumped significantly, although there has been some recovery since the summer of 1975. Alternative outlets have had to be sought and, following consultation with the processing industry and in an effort to secure additional continental and UK markets, we commissioned consultants to study and report on the marketing of fishery products from the Highlands and Islands. The study, which covers the continent and the UK, is scheduled to be completed by April 1976.
- Boatbuilding 181 Boatyards in the area have been badly affected by the decline in orders for new tonnage, and with the completion of work-in-hand some yards have had to reduce employment. Lack of confidence in future prospects for the fishing industry, coupled with the reduction of building grants and the alarming increase in building costs, have had serious repercussions throughout the UK, with a number of boatbuilding yards being forced to close down. In the Board's area no yard was forced to close, although in one case a Receiver was appointed.
- 182 Efforts made by the Boatbuilders' Association formed last year failed to generate orders for new fishing boats and other commercial craft, and the assistance we gave to allow space to be taken at the Dublin, Trondheim and Brixham Boat Shows has, as yet, not resulted in firm orders.
- 183 Overall it has been an extremely difficult year for the boatbuilding industry, with indications that the trade may slump still further before the current upturn in the inshore fishing industry is reflected in orders for new vessels.
- Harbours 184 Work on the improvement of John O'Groats harbour began during the year. This project, initiated by Caithness County Council, was taken over by the Highland Regional Council, and contributions towards the cost are being made by the Department of Agriculture and Fisheries for Scotland, Orkney Islands Council and the Board.
- Fish Farming 185 Financial assistance to fish farming has continued at much the same level as in 1974, although fewer new projects were

The broodstock at the Board owned and run fish hatchery at Moniac is in good condition.

Photo: Norman A. Macleod



started. A good part of the financial help we gave this year was for the expansion of existing projects and for consolidation. Total Board financial assistance to fish farming projects is now just over £1.2 million for both commercial and research projects, and jobs have been created for 91 full-time and 36 part-time workers. Of the twenty-two commercial projects assisted to date, thirteen are involved in the production of salmonids, eight in shellfish, with oyster production predominating, while one company is involved in fish farming contract research work.

- 186 We gave further financial assistance to the White Fish Authority's programme of investigation into marine fish farming carried out at Ardtoe and Hunterston. We have also approved financial assistance to Orkney Islands Council who are carrying out a feasibility trial into the cultivation of turbot in floating cages at a location near Stronsay. The trial is designed to establish some of the parameters of on-growing turbot in a location where a suitable local supply of fish offal is available as feedstuff. In co-operation with a commercial company, we are undertaking a feasibility study into the cultivation of eels in warmed water. To date, results have been favourable. The research work is being conducted by Fish Farm Developments Ltd, a Board-assisted company, who have been successful in securing a number of significant contracts in fish farming research from large companies, both in the UK and abroad.
- Shellfish Cultivation 187 Two companies engaged in the on-growing of oysters were given additional financial assistance to expand their operations. This sector of shellfish farming is attracting increasing attention and we received a number of approaches during the year from interests wishing to set up in oyster cultivation and in mussel farming. Progress has been made by one of the companies involved in scallop cultivation, but a number of problems remain to be solved.
- Moniack Trout Hatchery 188 1975 was the third year of operation of the hatchery owned and run by the Board at Moniack, near Inverness, to produce disease-free rainbow trout ova. The broodstock, which were brought in as ova in March 1973 from a certified Danish source, have now attained an average weight of 8-10lbs, and are in good condition. Over the winter/spring period of 1975/6, we expect to have available for sale some two million virus-free ova for which there appears to be considerable demand. Work is also proceeding with the production of salmon, but the evidence to date suggests that the borehole water temperatures are not conducive to good growth in the summer months. The DAFS Marine Laboratory continue to monitor the broodstock at regular intervals.
- 189 Fish Farming was the central theme of the Board's exhibit at the Royal Highland Show, Inverness.

Freshwater
Fisheries

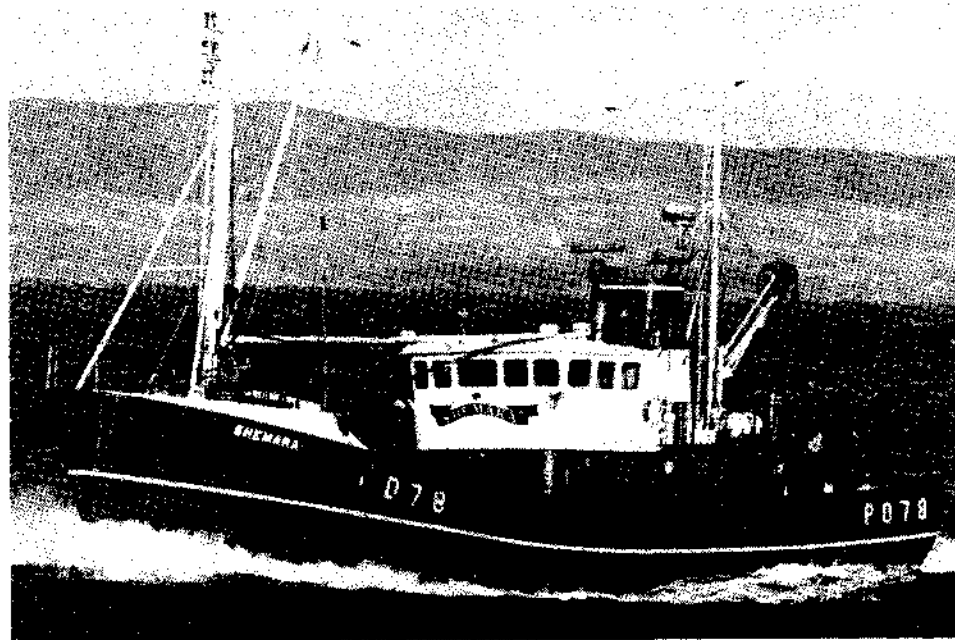
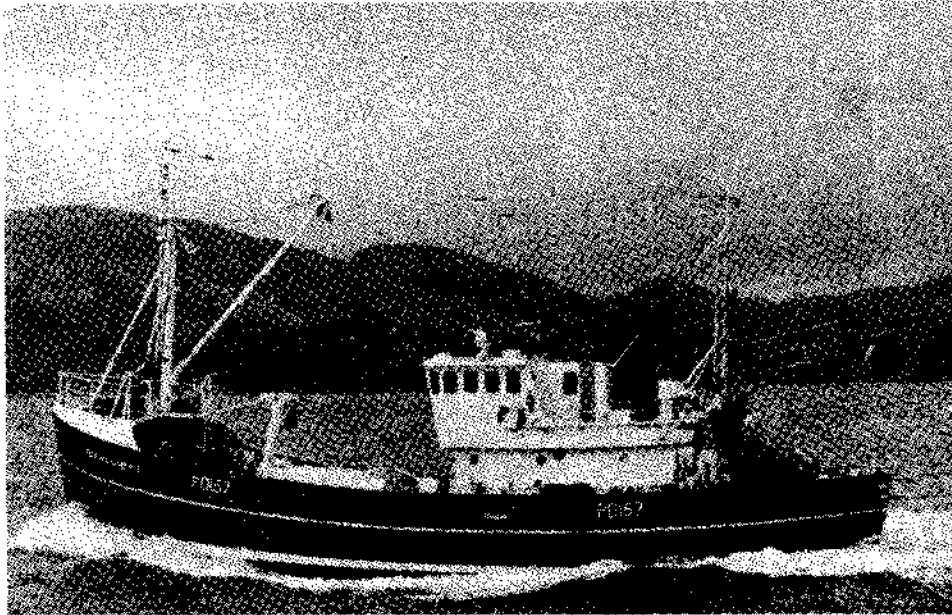
190 Financial assistance of £10,100 was approved for various projects connected with the improvement of freshwater fisheries. These included two commercial eel fisheries which were established following surveys carried out by the Board in 1973 and 1974. Further financial help was given for the improvement of loch and river fishings, and a total of thirty-one angling clubs and estates have now been assisted to improve fishings on 138 lochs and in 71 miles of river. It is a condition of our assistance that the improved fishings are made available to visitors.

Blue Whiting

191 In an attempt to assess the feasibility and viability of an industrial fishery being established in the Western Isles, based on the species known as blue whiting, we carried out exploratory voyages in an area west of Barra in April. Previous exploratory voyages undertaken by the White Fish Authority and DAFS established that there are considerable quantities of this fish off the Western Isles during part of the year, and our voyages were aimed at ascertaining whether the larger type of inshore fishing boat is suitable for this fishing. The successful outcome of our exploratory voyages encouraged us to pursue this matter further with the Scottish Office and the Western Isles Council. At the end of the year agreement was reached that we should proceed with further exploratory voyages to run over a full year and aimed, inter alia, at determining whether there are sufficient quantities of other species to sustain an all-the-year round industrial fishery. We aim to purchase one boat and to charter another, and intend to crew our boat mainly with fishermen from the Western Isles. We believe that the exploitation of this resource can most efficiently be done from the Western Isles and that the establishment of catching and processing operations there could contribute significantly to the development of the local economy. The further series of exploratory voyages will be monitored by a steering group on which the DAFS Marine Laboratory will be represented.

The Fairweather V and the Shemara, pioneers in the blue whiting fishery.

Photos: Courtesy "Commercial Fishing"



Land Development

- 192 The recession in hill and upland farming reached its climax in the autumn and winter of 1974/75 when severely depressed prices for store stock coincided with a serious shortage of home grown fodder in the Highlands and Islands. A moderately open winter and early spring during 1975, together with the boosted payment of hill cow and ewe subsidies and the special fodder scheme announced by the Government early in January, helped to moderate what might have been a grave situation. The crisis left the industry in a financially vulnerable situation. The autumn sales of 1975 saw some improvement in the prices offered for the lamb crop and for those larger calves that were in a forward condition and likely to be fat by the following spring. However, the prices for the smaller calves on offer were little better than those for the previous year, and we carried out a monitoring study of the situation during the autumn which culminated in representations being made to the Department of Agriculture and Fisheries for Scotland. The situation was particularly serious in those parts of the Board's area which, because of the severity of natural handicaps, are dependent on the sale of small weaned calves in the autumn sales and on purchased fodder for a part of their breeding herds' winter feed requirements.
- 193 Inflationary trends have continued in input prices and, despite a moderately good hay and harvest season, barley, hay and straw prices again reached record levels during the autumn. We argued that the recurring problems of these particular sections of the hill and upland farming industry suggested the need for longer term policy measures to improve permanently the conditions of production and marketing of stock and thereby lessen the need for permanently high levels of annual subsidy and ad hoc measures to cope with periodic crises.
- 194 Discussions have taken place with the Department and with officials of the EEC Commission on the kind of policy measures which will be needed.
- 195 Production cycles are, of course, a common feature of agricultural production and, in areas which are dependent on the production of one or two commodities, the effect of

these production cycles can be particularly severe. We remain convinced that it would be against the interests of both the region and the nation if efforts were not continued to raise the production of both sheep and cattle in the Highlands and Islands. Changed circumstances which seem likely to be of a permanent nature are bound to affect the relative attractiveness of sheep meat and cattle production in different parts of the area, and we accept that in situations which are highly dependent on purchased winter feed the production of sheep meat may well offer better prospects for the years to come. However, where the prospects for further improvement in cultivated grasslands are favourable, such as in Caithness, Orkney and parts of Southern Argyll, we would look to see a further increase in cattle production. This could well take place through an increase in the proportion of cattle which are finished locally for fatstock outlets within the region. For the more difficult and western areas, we have considerable faith in the prospects for further implementation of the techniques developed by the Hill Farming Research Organisation and the Colleges of Agriculture for hill pasture management, and there can be little doubt that substantial scope exists in these areas for increases in lambing percentages and lamb weights. Because of the changed outlook for both wool and sheep meat and the strategic importance of the west in terms of regional development, we will be seeking to put more of our resources in this direction in the years to come.

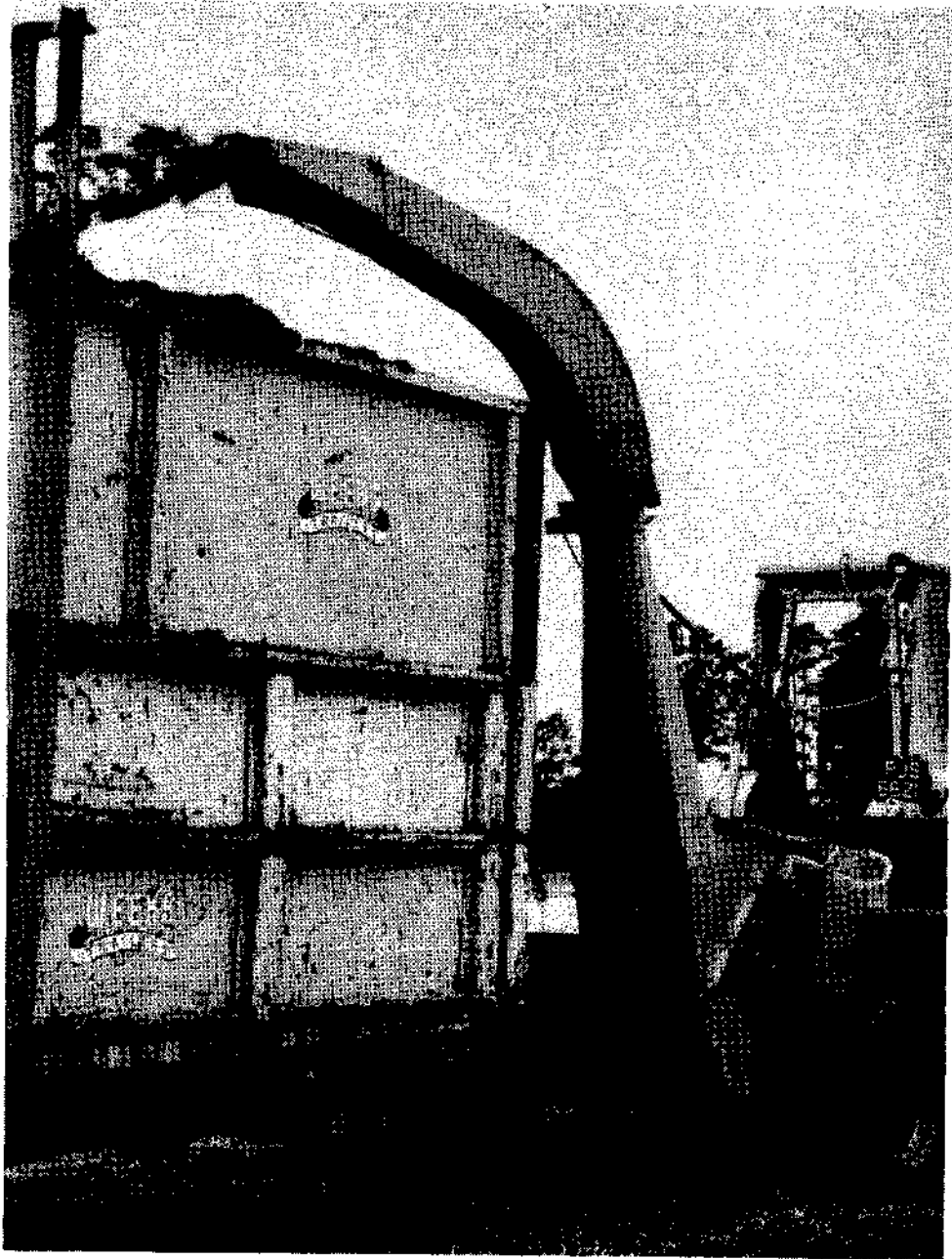
- Grants and Loans 196 The difficulties which have faced the agricultural industry over the past two years have resulted in a drop in the number of applications for financial assistance. In spite of further in-region promotional activities during the year, both the number of projects assisted and the amounts of grant and loan approved have been lower than in 1974.
- 197 Loans and grants approved gross for agricultural projects from 1 January 1975 to 31 December 1975 are as follows:

	<i>No. of Projects</i>	<i>Total HIDB Grant & Loan £</i>	<i>Total Cost of Projects £</i>
Shetland	1	40,200	145,423
Orkney	6		
Caithness	8	46,100	80,481
Ross-shire	9	38,355	119,993
Inverness-shire	12	144,460	322,468
Sutherland	6	7,825	27,873
Argyll	10	22,320	75,652
New Areas*	2	17,000	47,300
Total	54	316,260	819,190

* New Areas are:—County of Nairn, Parish of Cromdale and the Islands of Arran and Bute.

"Projects assisted included machinery syndicates" which jointly use equipment like this forage harvester.

Photo: Bill Angus



- 198 Inverness-shire has been the major recipient of Board financial assistance during the year, followed by Caithness, Orkney and Ross-shire in that order. Substantial promotion has taken place in the new parts of our area, and at the end of the year there were a comparatively large number of applications in hand relating to both these areas and to the Orkney Isles. Total investment generated by Board-assisted projects during the year was estimated at some £819,190 with the Board's contribution being about 38% of the total.
- 199 Although some applications for financial assistance related to the expansion of beef breeding herds, these tended to come from those parts of Orkney and Caithness which are not only virtually self-sufficient in winter feed requirements but have the capacity, mainly through intensive use of grassland, to overwinter their young stock for sale as store cattle during the following summer and autumn. Projects assisted in the western parts of the area included agricultural contracting, market gardening, a fodder scheme for the Uists run by Easter Ross farmers, and three co-operative schemes, including the reconstruction of the crofters auction stance at Kilmuir in Skye. We were able to assist land-based developments in both Eigg and Muck. In the Moray Firth area, we continued to assist a number of ventures designed to increase or rationalise production in the face of the changing labour market situation in that area. Projects assisted included machinery syndicates, agricultural contractors, and intensive enterprises like pig fattening and egg production.
- 200 Of special note has been the increased interest in sheep, particularly in the west. Of five cases involving the expansion of sheep production two have involved the implementation of the Hill Farming Research Organisation's "two pasture" strategy, and these are to be monitored under the Scottish Agricultural Development Council's hill sheep pilot farm scheme.
- Ardnamurchan Survey 201 The Soil Survey for Scotland (Macaulay Institute for Soil Research) provided us with a land use capability map of the survey area in May. Field surveys and census work in the area were completed and it is hoped to have a first draft report of the survey completed in 1976.
- Land Use Policies 202 During the year we gave considerable thought to our role in influencing land transfers in ways which would lead to a better utilisation of the land resources of the region and safeguard the community interest in changes in ownership of land. We obtained the Secretary of State's permission to acquire, by agreement, the Island of Eigg in order to carry out a programme of development, but our offer was not accepted. However, the new owner of the Island discussed with us his plans for various developments on the Island, and we subsequently approved financial assistance for agricultural development. In the early part of the year, we sought the Secretary of State's permission to acquire the estate of Killiechronan in Mull with a view to safeguarding and,

hopefully, improving the economic and social situation in the island. We also hoped to demonstrate the scope for an integrated approach to land use management involving farming, forestry, tourism and sport. However, in this instance the approval of the Secretary of State was not granted because of the difficult public expenditure situation. We have maintained close contact with the new owner of Killiechronan in an attempt to influence the policy for the estate as best we can within our existing powers.

- Forestry 203 Early in the year we made representations to the Secretary of State on the possible effects of the proposed Capital Transfer Tax on private forestry in the Highlands and Islands. Recognising the Government's wish to control what had become in some measure a tax avoidance industry, we argued that, without some form of direct support to replace the largely indirect support through fiscal relief, private forestry would virtually cease. We suggested the introduction of some form of alternative support for private forestry which would encourage investment in woodlands without the less desirable features of previous arrangements. This support should be fiscally neutral and might involve a more direct system of annual management grants in addition to the existing planting grants. We also suggested that such measures might help to give greater inducement to the farmer and smaller landowner to plant trees.
- Co-operative Livestock Marketing and Improvement Schemes 204 Production co-operatives in the Uists and in Mull once again marketed members' calves in the autumn, over 600 calves being sold by private treaty to feeders in Ross-shire, Nairn, Berwick and in the North of England. Sales were by weight and grade and prices per cwt were fixed in advance of these sales. We have continued to associate ourselves actively with these developments in group marketing and have offered financial assistance towards the grading and feed and weight recording of calves and towards the cost of producers' and feeders' exchange visits.
- 205 There was less activity in the group marketing of lambs. The Mull co-operative sold some 450 lambs from four producer members to one feeder in Berwickshire. These lambs were weight and feed recorded by the Meat and Livestock Commission on behalf of the Society. Despite the varied fortunes of lamb marketing co-operatives in the past, there is still a keen demand for this type of marketing venture, and we are keen to continue our efforts, in conjunction with the Scottish Agricultural Organisation Society Ltd, to develop this type of marketing in the future.
- 206 The Board-financed heifer retention scheme, operated in the Uists since 1967, continued to attract interest in 1975. Over 70 heifers were approved by DAFS and attracted premia of £15 a head. During the summer all users of the scheme were interviewed and the information gathered suggests that the scheme, which is highly regarded in the Uists, could with some improvements continue to play a part in upgrading the

quality of the Islands' breeding herd. It will be important, however, to establish better links between measures which aim at breed improvement and the parallel measures which are necessary to improve nutrition and marketing. Following recent discussions with DAFS, we intend to set up a working party, representative of the interests concerned, to draw up a comprehensive livestock improvement scheme for the West.

Highland Meat

- 207 The second phase of a study of the need for additional slaughtering and meat processing facilities in the area was completed in October. The broad conclusion was that, while there already existed a soundly based meat industry on the eastern seaboard of our area, it had facilities capable of handling greater throughput. An earlier study of livestock production had suggested that such an expansion could be sustained by the agricultural industry in the area. The feasibility of new slaughtering facilities in Orkney was also examined as the existing facilities there are recognised to be inadequate for further expansion. Indications were that local production of killable stock in Orkney could certainly sustain such an expansion but, because of the importance of economies in scale in the meat industry, special conditions would need to apply if there was to be an expanded, viable meat industry based on new facilities. Further examination of trade margins and costs of new slaughtering and processing facilities will be required in order to reach a clearer conclusion, and discussions with the Orkney Islands Council are planned.
- 208 The study also dealt with the need to provide slaughterhouse facilities for local needs of consumers and producers in urban and remote rural areas, and discussions are planned with local authorities on the issues involved.

Winter Feed Supplies

- 209 The direct drilling trials run in Uist by the North Uist Agricultural Society with help from the local adviser of the North of Scotland College of Agriculture, and financial assistance from the Board, were completed and the crops harvested. A report on these trials has been circulated to all the relevant bodies involved.
- 210 The direct drilling trials experimenting with grass seed, turnips and kale on Tiree, run by the West of Scotland Agricultural College with financial help from the Board, went ahead as planned. We have kept in touch with progress and an interim report is expected in the near future, although full results will not be available until after the winter feeding period.
- 211 Discussions on general machair improvement have taken place jointly with representatives of the North and West of Scotland Colleges of Agriculture, and it is hoped that further work will take place in the field during 1976. This work is highly relevant to any proposals for livestock

improvements in the West which may emerge from the working party referred to in para 206.

- 212 The pilot scheme to promote co-operation between East coast straw producers and West coast livestock producers went ahead satisfactorily and a small straw bank has been built up. The Board's involvement has been limited to financing a part of the risk involved in undertaking forward purchases of straw against anticipated requirements. This straw will be fed to stock in the late winter/early spring, and we will be keeping a close check on the performance of the scheme at that time.
- 213 We continue to liaise with the manufacturers of straw compressing machinery for on-farm use, which it is hoped might help reduce the cost of transporting fodder to West coast areas. At present it seems unlikely that any of these machines will be on the market until the harvesting season of 1976.
- 214 The study of distillery by-products is nearing completion and a report is expected shortly from the North of Scotland College of Agriculture.
- 215 The potential for utilising large quantities of liquid whey from creameries in our area is also being examined. At present a large proportion of this whey is not productively utilised, and we have approached the West of Scotland Agricultural College regarding the possibility of organising feeding trials to study the physical and financial aspects of feeding whey to dairy cattle in the region. In some areas there is also scope for expansion of pig production using the whey as a feed input.
- 216 A fish silage trial run by the North of Scotland College of Agriculture in Orkney with financial help from the Board was completed successfully. This raw material seems to show promise as a feedstuff for cattle in areas where the quantity of fish residues produced is such that processing into fishmeal is not a feasible proposition. A report on the trials prepared by the College of Agriculture is available to farmers in the area.
- Deer Farming 217 We decided to proceed with a project to develop a commercial system of farming red deer based on experimental work carried out by the Hill Farming Research Organisation and the Rowett Research Institute. At the end of the year we were in the process of identifying a suitable area of land on which to carry out the project.
- Venison Production and Marketing 218 At the beginning of the year, the Federal Republic of Germany introduced regulations concerning standards for the handling and inspection of all red meat exported to that country, including game. The FDR is the major market for Scottish venison, and these new regulations have caused considerable problems for the venison trade.

Board staff have been involved in obtaining a precise interpretation of how the standards are to be applied in practice and in advising deer forest owners what action they should take. Because of the economic importance of the trade, we agreed in principle to consider applications for financial assistance from deer forest owners who were prepared to instal the necessary facilities on a co-operative or group basis to allow them to sell venison to game exporters. We also appointed a consultant to give advice to both the Board and landowners on the most efficient and economic way of meeting the new standards and on the optimum layout for shared facilities in the area. At the end of the year applications for financial assistance for the consolidation of five chill rooms had been received and more are expected. These facilities would serve approximately 73 individual deer forests.

- Mull Grouse Project 219 The object of this project is to determine the extent to which grouse numbers in places like Mull can be increased by improved management practices. The year's work of burning and counting proceeded and a reliable picture of the grouse population is emerging. The project is being carried out under the supervision of the Institute of Terrestrial Ecology.
- Scottish Game and Land Use Study 220 A survey of the economic importance of game in the Highlands was carried out during the year. Information has been collected on the game cull, the employment associated with game management, revenues and management inputs. A report is expected early in 1976. The study was carried out for the Board by Scottish Game Management Services in association with Dr W. E. S. Mutch of Edinburgh University.
- Argyll Shrub Project 221 Preparatory work on a site at Achahoish, Knapdale, has commenced and a new company, Highland Heathers Ltd, has been formed to develop shrub production. We are discussing with the company the possibility of Board participation in the project, and it is hoped that 80,000 heather cuttings now in cold frames at the site of the Board's pilot project at nearby Ormsary will be planted out on the new site in the spring as the first stage in the creation of the commercial project. Meantime, other surplus plant stocks at the Ormsary site have been offered for sale and, despite the shrub market being depressed nationally, trade interest has been encouraging and it is hoped that all can be disposed of. Growth during the season was again satisfactory despite unusually hot, dry weather during the summer months.
- Blueberry Project Conon Bridge 222 This year, for the first time in our experimental blueberry growing project, a small poundage of fruit of good size and quality was harvested. Samples were passed to two firms in the area to determine the suitability of the fruit for freezing and processing. One firm has indicated an interest in

purchasing the 1976 crop. It is hoped, however, to test the response of the retail market to the fruit.

223 Owing to unfavourable weather conditions in the United States in 1974 it proved impossible to obtain further planting stocks from that source for the spring of the year. However, we were again fortunate in obtaining some bushes from the Scottish Horticultural Research Institute at Invergowrie. The day-to-day management of the project continues in the hands of the North of Scotland College of Agriculture.

European
Economic
Community

224 Details of the Government's proposals for implementing the EEC's Less Favoured Areas Directive were still awaited at the end of the year. We suggested that advantage should be taken of the provision in the Directive for varying rates of payment according to the degree of permanent natural handicaps facing producers in different hill areas. Such a step would help to ensure that any additional resources which may be available are concentrated in areas of greatest hardship.

Liaison with other
Bodies

225 We were represented at — and took active part in — the meetings of the Confederation of European Agriculture Working Group on Mountain Area Problems in June, the International Biometeorological Congress in August, the Agricultural Economics Society in Aberystwyth and Reading and at other conferences and meetings, both within and without the Highlands.

226 We continue to maintain close and fruitful liaison with other bodies associated with land use in Scotland. These included the Department of Agriculture and Fisheries for Scotland, the Colleges of Agriculture, the Crofters Commission, the Forestry Commission, the Red Deer Commission, the Scottish Landowners Federation, the National Farmers' Union of Scotland, the Crofters' Union, the Scottish Agricultural Organisation Society Ltd, the Hill Farming Research Organisation, the Macaulay Institute for Soil Research, the Rowett Research Institute, the Meat and Livestock Commission. Many other public and private bodies and individuals have given help and advice on the land development opportunities in the area and the problems associated with them.

Information Services

- 227 We continued with our policy of seeking every opportunity to gain publicity for the Highlands and Islands both at home and abroad and to give information about development prospects. We refined and strengthened our information programme during the year. Its individual parts are simply stated:
- 42 press releases were issued
 - 7 press features syndicated
 - 2 films completed
 - 24 publications produced
 - 7 exhibitions designed
- 228 These activities represented a substantial body of work contributing to the development of the area.
- 229 The most comprehensive example during 1975 of our "in-region" promotional effort was the programme devised to meet the needs of the places brought into the area by the reorganisation of local government in May. For the operative date, exhibitions were organised in four locations within the new areas; a six week advertising campaign was held through the medium of the relevant local newspapers; and a series of visits, speeches and film shows was carried out. This was a concentrated effort which — by making the respective communities aware of what the Board can and cannot do — hoped to engender new development projects. The initial programme was supported later by visits from our "enquiry" caravan, and a substantial response resulted.
- 230 In the general field of information we undertook a series of film shows and talks to schools audiences as well as producing several special publications. Our work in this field, however, is also directed outside the Highlands with the aim of making the wider community better informed about affairs within the northernmost part of the United Kingdom. During the year Board films (which gained International Festival awards) as well as the Highland Life series of books (in which we embarked on a further three titles) made a contribution towards the achievement of that objective.

Part of the permanent display mounted by the Board in its stand at Inghliston, near Edinburgh.

The Board stand at 1975's Highland Trade Fair at Aviemore.

Photos: A G Ingram Ltd.



231 Our press activities continued to carry the main burden of our efforts to inform. This is a daily task involving us in initiating as well as responding to press interest. As a result, media as diverse as Station KPRC Texas; Time Magazine, New York; Harlech Television, Wales; the Winnipeg Free Press and many other sources much closer to home directed the attention of their readers, listeners and viewers (numbered in millions) to matters of direct importance to Highlanders and Islanders.

Consultative Council

- Membership**
- 232 The Council was reconstituted in 1974 by the Secretary of State in accordance with Schedule II of the Highlands and Islands Development (Scotland) Act 1965, Members having been appointed, apart from Local Authority nominees, to hold office from 1 April, 1974 to 31 March, 1978. The appointments of Local Authority nominees expired on 15 May, 1975 coinciding with the local Government re-organisation, and replacements were appointed in time for the October meeting of the Council. Their period of appointment extends to 31 October, 1978. Mr L. Dewhirst and Mr P. W. Mummery resigned from the Council on taking up business positions outside the Highlands and Islands, and were succeeded by Mr A. Halliday and Mr C. W. Blumfield respectively, Mr H. G. M. Liddell resigned from the Council in December when he ceased to be a Member of the Scottish Sports Council. Full details of Council membership appear in Appendix XI.
- 233 The Council recorded their pleasure on the award of the OBE to Mr Torquil Nicolson in the New Year's Honours List.
- Meetings**
- 234 The Council met three times during 1975 — on 21 March, 27 June and 24 October; the meeting normally held in the month of December being postponed to January 1976. The Education Sub-Committee and the Transport and Communications Sub-Committee continued to meet from time to time throughout the year.
- Agriculture**
- 235 The uncertain prospects — notably in the hill farming areas — for the vitally important agricultural industry, raised considerable concern in the Council's discussions. The selling-off of cattle brought about by the high cost of animal fodder and farmers' difficulties in securing or obtaining adequate working capital was regarded as particularly worrying. The Board was recommended to use its best endeavours within its available resources to provide any remedial measures or assistance which would underpin the agricultural structure financially and, if possible, by stimulating and supporting the availability of adequate winter feed and keep for the cattle stock which the Highland area is able to carry.

236 The critical state of the fishing industry — particularly the inshore industry — also occupied the attention of the Council throughout the year, both from the aspect of finance and of the diminution of catches. With regard to finance, the Council was pleased to learn that while the Board could not see its way to declaring a moratorium on loan repayments it was taking a sympathetic attitude towards individual borrowers who were finding difficulty in meeting repayment of their loans when these were caused by the depression in the industry. The Council felt that if fish stocks were to be maintained at a viable level in the North Sea or in the waters around our coasts, the legislative and administrative controls over the whole conduct of sea fishing within the area in which the UK exercises jurisdiction should be overhauled and brought up to date. This was felt to be a pressing matter in view of the emergence within a few years of a major expansion of international jurisdiction and the problem of the opening of Scottish waters to fishing boats from member countries of the European Economic Community. The Council urged the Board to take the matter up with the Government. The Board was congratulated on its foresight in supporting fishfarming, both in salt and fresh water, but here too the Council considered that the need should be pressed on the Government for legislative measures to protect and police areas of tidal waters and the relative sea-bed which could be used or dedicated to fishfarming in the future.

237 Discussion in the Council concerning problems of education in the Highlands and Islands ranged from measures to stimulate Gaelic studies in schools to the expansion in the area of higher education to degree standard. The Council welcomed the interest shown by the Board in Gaelic culture and language having noted with satisfaction that recent census figures had revealed a substantial increase in the number of Gaelic speakers in Scotland as a whole during the decade 1961-1971. In this the Board were urged to give its support not only to the development of technological studies but also to the linking with these of a centre for the study of Celtic culture and research. The Education Sub-committee had also under consideration the report prepared by Aberdeen University on their survey of the social and economic effect of centralised education.

238 Council Members were pleased to have the opportunity, through the Transport & Communications Sub-committee, to comment and advise in detail on the revision of the Board's transport policy document. The most economic use of road transport resources by the introduction, where possible, of vehicles adapted in size and fuel consumption to the particular needs of the community, rather than those which provide the standard public service, appeared to offer the greatest advantage to the Highlands and Islands. In the same context the Council strongly supported the Board's continued efforts to gain acceptance

of the principle of road equivalent tariff charges on those sea services which are in effect an integral part of the road network. It was recognised that transport costs continued to rise through many factors, but it was felt that acceptance of this important principle would bring material and lasting benefit to transport users in the islands and should considerably reduce the burden of transport charges on producers there who seek their markets on the mainland.

- 239 In regard to the financing of rail services, the Council urged the Board to exert pressure on British Rail to make available more finance for the improvement and rehabilitation of their lines between Perth and Inverness in particular, where there was a proven need for drastic improvement in equipment and services, and between Kyle of Lochalsh and Inverness. Further it was considered that a balanced investment on both road and rail lines of communication would the more strengthen links between the area and other parts of the country than the concentration solely on road development. As regards the Kyle/Inverness railway line, attention was drawn to the fact that this had been allowed to run down in view of previous uncertainty as to its future. Now that oil and other developments had made its future substantially secure, there was a very strong place for improvement to equipment and rolling stock. It was also pointed out that in the interest of tourism the restoration of observation cars on many of the railway lines would be both valuable and important.

- Other Matters 240 Other topics considered by the Council during the year included discussions on prospective developments in the Harris Tweed Industry and the social and economic consequences of such developments and the possible effect on the future of Harris Tweed at home and abroad; the guide lines issued by Scottish Office for the establishment of Community Councils; and the study of recreational provision in the Highlands and Islands.

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Highlands and Islands Development Board

Appendix I

Income and Expenditure Account for the year ended 31st March 1975

<i>Previous Year</i>		£	£
	INCOME		
	Grant in Aid	5,485,000	
	<i>Deduct:</i> Capital expenditure transferred to Capital Account	<u>2,386,460</u>	
2,776,377			3,098,540
228,804	Loan and debenture interest		281,289
198,379	Other receipts		<u>169,247</u>
<u>£3,203,560</u>			<u>£3,549,076</u>
	Less: EXPENDITURE		
	Salaries, superannuation, etc.:		
	Board Members	41,494	
	Staff	<u>769,753</u>	
635,653			811,247
68,899	Travelling and subsistence		91,650
	General administration expenses:		
	Accommodation charges and hire of equipment	96,146	
	Postages, stationery, telephone and printing	65,320	
	Legal expenses	31,659	
	Audit fee	3,650	
	Sundry expenses	<u>45,335</u>	
184,031			242,110
1,768	Consultative Council: Allowances and expenses		3,142
411,865	Research, surveys and publicity		566,657
1,638,101	Grant assistance		1,629,923
226,799	Projects and development schemes		205,314
<u>12,393</u>	Interest written off		<u>110</u>
<u>£3,179,509</u>			<u>£3,550,153</u>
<u>(£24,051)</u>	<i>Deficit carried to Balance Sheet</i>		<u>£1,077</u>

Highlands and Islands Development Board

Appendix II

Balance Sheet as at 31st March 1975

<i>Previous Year £</i>		<i>£</i>	<i>£</i>	<i>£</i>
	FIXED ASSETS, at COST (Note 1):			
		Property	Equipment and Vehicles	
	Board's administrative use	33,367	106,555	
	Exhibitions and displays	8,080	189,177	
	Projects and development schemes	<u>2,542,729</u>	<u>269,893</u>	
2,408,948		<u>2,584,176</u>	<u>565,625</u>	3,149,801
333,524	INVESTMENTS (UNQUOTED) at COST (Note 2)			341,824
4,900,760	LOANS ADVANCED (Note 3)			6,507,069
	CURRENT ASSETS:			
	Sundry debtors (Note 4)		127,190	
	Imprests and advances		5,225	
	Cash in hand and at bank		<u>24,534</u>	
			156,949	
	<i>Less:</i>			
	CURRENT LIABILITIES:			
	Sundry creditors and accruals		147,124	
10,902			<u>9,825</u>	
<u>£7,654,134</u>	NET ASSETS			<u>£10,008,519</u>
	REPRESENTING:			
7,680,642	Capital account (Note 5)		10,036,104	
26,508	Less: Income and expenditure account (Note 6)		27,585	
<u>£7,654,134</u>			<u>£10,008,519</u>	

Highlands and Islands Development Board

Appendix II

Notes on the Accounts

	Board's Admini- strative Use	Exhibitions and Displays	Projects and Develop- ment Schemes
	£	£	£
1. FIXED ASSETS:			
Property:			
Balance at 1 April 1974	34,533	8,080	1,898,785
Additions during year	9,148	—	644,430
	<u>43,681</u>	<u>8,080</u>	<u>2,543,215</u>
<i>Less: Disposals during year (at cost)</i>	<i>10,314</i>	<i>—</i>	<i>486</i>
	<u>£33,367</u>	<u>£8,080</u>	<u>£2,542,729</u>
Equipment and Vehicles:			
Balance at 1 April 1974	90,719	140,120	236,711
Additions during year	21,856	49,057	37,504
	<u>112,575</u>	<u>189,177</u>	<u>274,215</u>
<i>Less: Disposals during year (at cost)</i>	<i>6,020</i>	<i>—</i>	<i>4,322</i>
	<u>£106,555</u>	<u>£189,177</u>	<u>£269,893</u>

No provision for depreciation of assets is made as their cost is met in full in the year of purchase from Grant in Aid.

2. INVESTMENTS (UNQUOTED) at COST:

	£
Balance at 1 April 1974	333,524
Additions during year	16,300
	<u>349,824</u>
<i>Less: Disposals during year (at cost)</i>	<i>8,000</i>
	<u>£341,824</u>

The unquoted minority investments represent holdings in the following 14 companies:

Ordinary Shares:

Caithness Glass Ltd.	Gaelspun Ltd.
Gateway West Argyll Ltd.	*Jennifreeth (Scotland) Ltd.
Manor Hotel (Stornoway) Ltd.	J. Anderson (Boat Builders) Ltd.
Scottish Sea Farms Ltd.	Scottish Instruments Ltd.
Cairngorm Sports Development Ltd.	North Scottish Helicopters Ltd.
Bands of Inverness Ltd.	U.E.G. Trials Ltd.

Preference Shares:

Campbeltown Shipyard Ltd.
Dunoon Ceramics Ltd.

Debentures:

Cairngorm Sports Development Ltd.
Company in liquidation — final dividend not known.

Highlands and Islands Development Board

Appendix II

Notes on the Accounts (continued)

3 LOAN ASSISTANCE:

	£	£
Balance at 1 April 1974		4,900,760
Additions during year		2,289,623
		<u>7,190,383</u>
Less: Repayments	680,268	
Amounts written off	3,046	
		<u>683,314</u>
		<u>£6,507,069</u>

The Board estimate that £206,936 of the above balance may not be recoverable.

4. Included in sundry debtors is loan interest amounting to £8,622 which may not be recoverable.

5. CAPITAL ACCOUNT:

	£	£
Balance at 1 April 1974		7,680,642
Capital expenditure transferred from Income and Expenditure Account... .. .		2,386,460
		<u>10,067,102</u>
Less: Amounts written off loans	3,046	
Disposals during year (at cost)	27,952	
		<u>30,998</u>
		<u>£10,036,104</u>

6. INCOME AND EXPENDITURE ACCOUNT:

	£
Balance at 1 April 1974	26,508
Plus: Deficit transferred from Income and Expenditure Account	1,077
	<u>£27,585</u>

7. There are contingent liabilities amounting to £4.51m. in respect of grant and loan assistance to be provided under the Board's scheme of grants and loans.
8. During the year ended 31 March 1975 four gifts were made at a total value of £20.
9. During the year ended 31 March 1975 claims were abandoned in one case amounting to £6.
10. During the year ended 31 March 1975 grant recoverable of £360 in one case was written off.
11. At 31 March 1975 a balance of grant assistance amounting to £94,986 in 20 cases was repayable but of this amount £63,773 in eight cases may not be recovered.

A. G. Gilchrist
Accounting Officer

25 September 1975

I have examined the foregoing Account and Balance Sheet. I have obtained all the information and explanations that I have required, and I certify, as the result of my audit, that in my opinion this Account and Balance Sheet are properly drawn up so as to exhibit a true and fair view of the transactions of the Highlands and Islands Development Board and the state of their affairs. I have no observations to make upon them.

D. B. Pitblado
Comptroller and Auditor General

Exchequer and Audit Department
2 December 1975

Grant in Aid

Appendix III

* Statement of Receipts and Payments for the year ended 31st March 1975 compared with Estimate

Receipts	£	Payments	£
Balance 1st April 1974	42,526	1. Salaries, etc. (Estimate £781,000)	811,989
Grant in Aid (Estimate £5,707,000)	5,485,000	2. Travelling and subsistence (Estimate £99,000)	91,841
Other Receipts (Estimate £1,100,000)	1,090,031	3. General Administration Expenses (Estimate £261,000)	258,813
		4. Consultative Council (Estimate £3,000)	3,015
		5. Research, surveys, publicity, etc. (Estimate £571,000)	588,873
		6. Grants and loans to industry, etc. (Estimate £4,000,000)	3,919,546
		Grants and loans	16,300
		Acquisition of equities	3,935,846
		7. Projects and development schemes (Estimate £1,092,000)	897,422 (a)
		Balance 31 March 1975	29,758
	<u>£6,617,557</u>		<u>£6,617,557</u>

* The Income and Expenditure Account and Balance Sheet of the Board are published separately as a White Paper.

Explanation of the causes of Variations between Estimates and Actual

(a) Progress on projects was slower than anticipated.

7th August 1975

A. G. Gilchrist, Accounting Officer

Appendix IV

Population Figures Table 1
Statistical Areas, 1921-1971, and Population as % of 1961 total

Area	Sub-Area	1921	%	1931	%	1951	%	1961	%	1966	%	1971	%
Shetland		25520	143	21421	120	19352	109	17812	100	17371	98	17567	99
Orkney		24111	129	22077	118	21255	113	18747	100	18102	97	17254	92
Caithness		28285	103	25656	94	22710	83	27370	100	28257	103	27915	102
N.W. Sutherland		6998	177	5791	146	4283	108	3961	100	3750	95	3782	95
S.E. Sutherland		10804	113	10310	108	9387	98	9546	100	9393	98	9358	98
Wester Ross		9633	142	8599	126	7321	108	6807	100	6600	97	6809	100
East Ross		32807	114	28995	100	29456	102	2898	100	29208	101	31222	108
Inverness		38194	83	40046	87	45620	100	45820	100	46178	101	49468	108
Nairn		8790	104	8294	98	8719	104	8423	100	8168	97	8304	99
Badenoch		10944	120	9732	107	9497	104	9093	100	8922	98	9099	100
Skye		11607	149	10407	134	8632	111	7772	100	7150	92	7481	96
Lewis and Harris		33654	133	29673	118	27722	110	25222	100	24902	96	23702	94
Lewis		28378	129	25205	115	23731	108	21937	100	21252	97	20739	95
Harris		5276	161	4468	136	3991	122	3285	100	3050	93	2963	90
Uists and Barra		10523	143	9313	126	7869	107	7387	100	6600	89	6765	92
Lochaber and West Argyll		11426	80	13198	93	13783	97	14236	100	16586	117	17597	124
Lochaber		8929	70	11090	87	12004	94	12743	100	15136	119	16097	126
Ardnamurchan		2497	167	2108	141	1779	119	1493	100	1450	97	1500	100
Argyll Islands		12356	159	10537	136	8849	114	7772	100	7617	98	7480	96
Oban and Lorn		16020	106	15202	100	14615	96	15162	100	15238	101	15078	99
Mid Argyll and Kintyre		21628	116	19420	104	20217	108	18716	100	18022	96	18564	99
Dunoon and Cowal		24361	150	15783	97	17901	110	16247	100	16533	102	16772	103
Clvde Islands		27759	205	16658	123	17204	127	13524	100	11794	87	12005	89
HIDB Area		365420	121	321112	106	314392	104	302515	100	299789	99	306222	101

Source: (1) 1921 to 1961 — Census Enumerated Population.
 (2) 1966 — Registrar General Annual Estimates which incorporate the results of the 1966 Sample Census and mid year estimates.
 (3) 1971 — Census — "Provisional Resident Population."

8 Population change

1971-1975 by new Local Authority areas

Appendix IV

Table 2

Area	1971 popu- lation	1975 popu- lation	Change 71-75	% Change 71-75	Natural Change 71-75	Migra- tion Change 71-75
Highland	170,279	182,044	+11,769	+1.7	+628	+11,141
Caithness	29,596	29,604	+8	+0	+190	-182
Sutherland	11,817	11,877	+60	+0.1	-310	+370
Ross and Cromarty	34,600	39,200	+4,600	+3.1	+380	+4,220
Skye and Lochalsh	9,424	9,672	+248	+0.6	-197	+445
Lochaber	18,794	19,827	+1,033	+1.3	+322	+711
Inverness	49,004	53,179	+4,175	+2.0	+355	+3,820
Badenoch/Strathspey	8,736	9,380	+644	+1.8	-33	+677
Nairn	8,304	9,305	+1,011	+2.9	-79	+1,090
Orkney	17,137	17,675	+538	+0.8	-30	+568
Shetland	17,535	18,494	+959	+1.3	+166	+793
Western Isles	30,327	29,615	-712	-0.6	-151	-561
Argyll and Bute	63,057	64,613	+1,556	+0.6	-525	+2,081
HIDB (exc. Arran)	298,336	312,441	+14,110	+1.2	+88	+14,022

Source: Mid-year Estimates.

Average unemployment

Statistical areas 1975 and 1966

Appendix IV

Table 3

	MALES		FEMALES		TOTAL	
	1966 ¹	1975	1966 ¹	1975	1966 ¹	1975
Shetland	510(151)	156	67(5)	30	577(156)	186
Orkney	158(16)	103	39(—)	25	197(16)	128
Caithness	579	660	223	208	801	868
N & W Sutherland	100	99	20	30	120	128
S.E. Sutherland	125	118	54	50	179	168
West Ross	74	90	22	33	95	124
East Ross	411	439	114	176	525	615
Inverness	463	595	169	125	632	720
Badenoch ²	37	84	13	25	50	109
Nairn ²	89	73	20	28	109	102
Skye	57	122	17	26	74	148
Lewis & Harris	967	853	196	96	1,163	949
Uists & Barra	268	285	56	53	324	327
Lochaber & West Argyll	102	183	85	110	186	292
Argyll	53	133	43	60	95	193
Oban & Lorne	112	162	50	59	162	221
Mid Argyll & Kintyre	252	320	146	148	398	469
Dunoon & Cowal	94	155	38	52	132	207
Clyde Islands ^{2,2}	135	171	47	49	181	219
TOTAL⁴	4,583(549)	4,799	1,417(14)	1,380	6,000(562)	6,180
1974		3,855		1,059		4,914
Annual Percentage unemployed⁵	7.0	7.3	4.5	3.5	6.1	6.0
1974		6.0		2.8		4.9

1 The 1966 figures include the Temporary Stopped (TS). Where possible, the TS figures are shown in brackets.

2 Clyde Islands, Nairn and the Cromdale area of Badenoch did not form the Board's area until May 1975.

3 Figures exclude Arran.

4 The average figures have been rounded up and therefore the sums of columns do not equal totals shown.

5 For 1966 this excludes Clyde Islands, Nairn and Cromdale area of Badenoch. The TS are excluded for 1966 to enable comparison of percentages between 1966 and 1975. Wholly unemployed totals are shown for 1974.

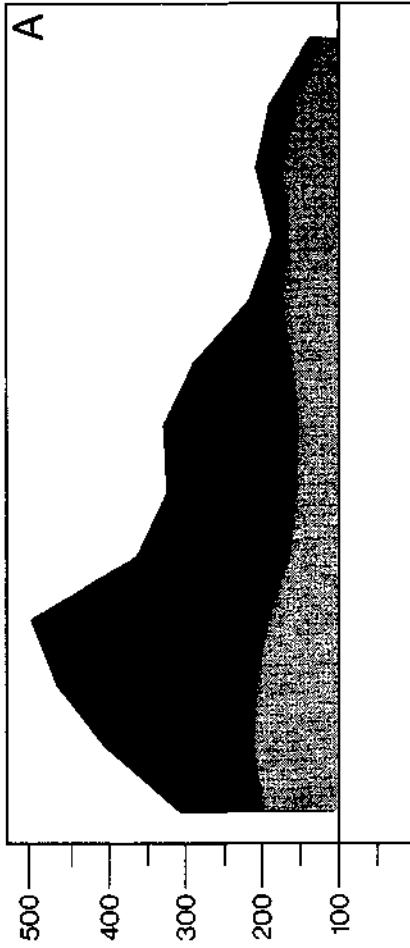
Source: Department of Employment.

Unemployment 1963-1975

GRAPH 1

Average annual percentage of unemployment in the Highlands and Islands and Scotland relative to Great Britain

Great Britain : 100

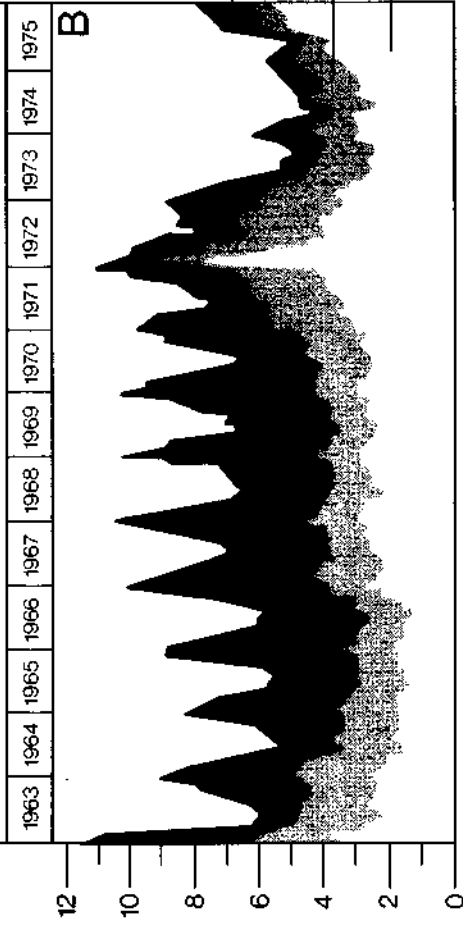


Monthly percentage unemployment in Highlands and Islands, Scotland and Great Britain

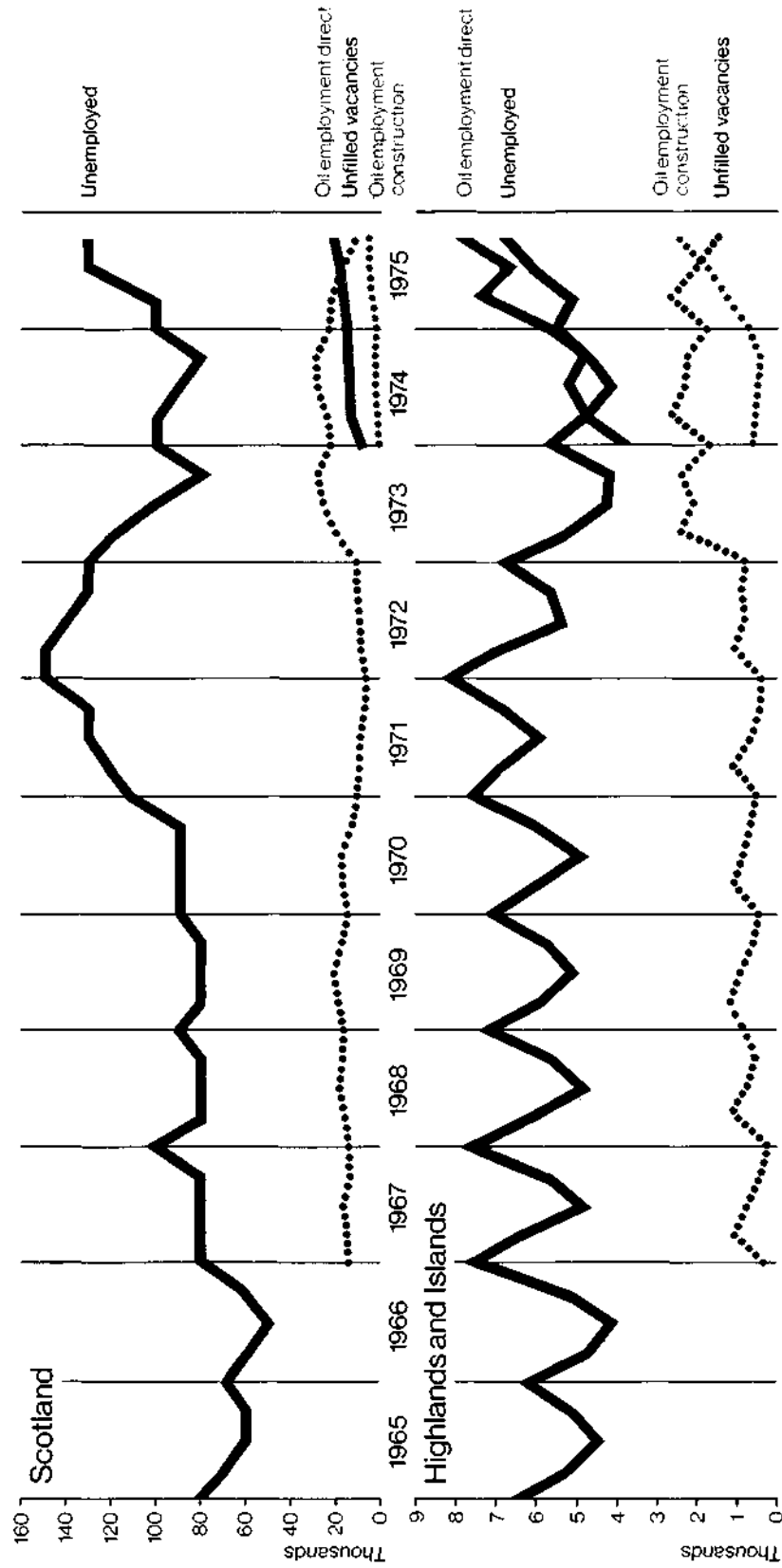
Highlands and Islands

Scotland

Great Britain



GRAPH 2
Unemployment, unfilled vacancies and oil-related employment in Scotland and the Highlands



♀ Male and Female employment structure 1974

Appendix IV

(excl. self-employed)

Table 4

Employment	Highlands and Islands		Scotland		UK	
	Numbers	%	Numbers	%	Numbers	%
Agriculture & Forestry	6,956	6.8	2,300	2.3	6,956	1.8
Fishing	2,122	2.1	100	0.1	2,122	—
Mining and Quarrying	438	0.4	100	1.6	438	1.5
Total Primary	9,516	9.4	3,400	4.0	9,516	3.4
Food Drink and Tobacco	3,445	3.4	1,500	4.7	3,445	3.4
Boat Building	465	0.5	100	2.1	465	0.8
Textiles	1,422	1.4	500	3.3	1,422	2.6
Other Manufacturing	11,323	11.1	4,000	22.3	11,323	27.7
Total Manufacturing	16,655	16.4	4,500	32.4	16,655	34.5
Construction	12,387	12.2	1,500	8.2	12,387	5.8
Utilities	1,373	1.4	100	1.4	1,373	1.5
Transport and Distributive Trades	18,137	17.9	6,000	18.3	18,137	18.7
Professional and Business Services	19,811	19.5	1,000	19.0	19,811	19.7
Tourism	10,045	9.9	100	4.7	10,045	3.5
Miscellaneous Services	5,828	5.7	100	5.1	5,828	5.8
Public Administration	7,852	7.7	100	6.9	7,852	7.0
Total Services	63,046	62.1	10,000	55.3	63,046	56.3
Total	101,604	100	18,000	100	101,604	100

Source: Department of Employment, and DAFS for fishing employment statistics in Highlands and Islands.

Personal Incomes

Appendix IV

Table 5

Average gross annual earnings in the Highlands and Islands 1964/65 to 1973/74 and also as a percentage of Scotland and Great Britain

	1964/65	1969/70	1970/71	1971/72	1972/73	1973/74
Males ¹						
% of Highlands	£870	£1,166	£1,340	£1,504	£1,702	£1,984
% of Scotland	98	93	93	95	95	96
% of Great Britain	88	85	87	88	88	91
Females ¹						
% of Highlands	£401	£604	£744	£818	£939	£1,048
% of Scotland	83	91	97	95	97	96
% of Great Britain	78	87	94	92	93	93

Notes:¹ In Civil employment, 18 years and over with at least one contribution actually paid and at least 48 paid or credited.

Source: Scottish Abstract of Statistics.

Table 6

Acreage (000's) under	Highlands and Islands			Scotland			Highlands and Islands as % of Scotland	
	1961*	1971	1974	1961*	1974	1975	1961	1975†
Agriculture	8,335.3	7,524.8	7,503.2	16,744.1	15,238.5	15,255.7	50	50
Rough Grazings	7,736.8	6,982.8	6,977.7	12,435.0	11,139.0	11,118.2	62	64
Grass	417.3	409.6	405.4	2,774.0	2,666.9	2,670.4	15	16
Oats	104.0	51.9	34.5	632.4	176.0	163.1	16	22
Barley	14.9	44.5	54.9	320.8	874.2	910.7	5	7
Wheat	2.5	4.9	3.0	91.8	81.5	683	3	3
Potatoes	10.8	6.2	4.3	135.6	80.0	75.6	8	6
Vegetables for human consumption	0.18	0.17	0.24	11.8	19.6	19.7	2	1
Soft Fruit	0.09	0.36	0.35	9.5	10.9	10.3	1	3
Numbers of livestock (000's)								
Sheep	2,869	2,445	2,318	8,709	7,571	7,536	33	32
Total cattle	313	343	340	2,045	2,676	2,642	15	17
Beef breeding herd	96	125	146	313	616	615	31	25
Dairy breeding herd	34	25	26	460	398	390	7	8
Poultry	1,113	438	328	9,181	13,491	13,048	12	2
Pigs	21	23	22	430	616	549	5	4

* Periods before and after 1970 are not strictly comparable because of a slight statistical modification by DAFS in 1970

† Refers to Board area comprising 7 crofting counties.

‡ Refers to above area and Nairn, Bute and Cromdale.

Source: Department of Agriculture and Fisheries for Scotland.

Fisheries

Table 7

(a) White Fish Landings

Appendix IV

Area	Volume/ Value	1966		1971		1973		1974		1975		
		Amount land (000's) catch	% of High- 1966 area catch	Amount land (000's) catch	% of High- 1966 area catch	Amount land (000's) catch	% of High- 1966 area catch	Amount land (000's) catch	% of High- 1966 area catch	Amount land (000's) catch	% of High- 1966 area catch	
Orkney & Shetland	Volume (cwt) Value £	214 438	25 100	368 1,101	31 25	384 2,061	33 32	771 2,422	52 36	752 1,853	44 27	351 423
Outer Isles	Volume Value £	9 26	100 100	37 31	3 7	205 441	18 7	176 375	12 6	274 429	16 6	3,044 1,650
Caitness & North East	Volume (cwt) Value £	134 508	100 100	165 735	14 17	109 939	9 14	92 858	6 13	80 676	5 10	60 133
Durness to Mallaig	Volume (cwt) Value £	401 1,304	100 100	454 1,787	38 40	285 1,755	24 27	320 1,999	22 30	476 2,825	28 41	119 217
Oban to Campbelltown	Volume (cwt) Value £	96 397	100 100	168 807	14 18	181 1,317	16 20	134 1,074	9 16	129 1,133	8 16	134 285
Highlands and Islands	Volume (cwt) Value £	854 2,673	100 100	1,192 4,461	100 100	1,164 6,513	100 100	1,493 6,728	100 100	1,710 6,915	100 100	200 259
Scotland	Volume (cwt) Value £	4,582 15,806	100 100	5,388 25,676	22 17	5,166 42,415	22 15	5,353 43,175	28 16	5,239 41,491	33 17	114 263

Table 7 (continued)

(b) Herring Landings (+ other Pelagic)

Appendix IV

Area	Volume/ Value	1966		1971		1973		1974		1975		
		Amount land (000's)	% of High- land catch	Amount land (000's)	% of High- land catch	Amount land (000's)	% of 1966 area catch	Amount land (000's)	% of High- land catch	Amount land (000's)	% of High- land catch	Amount land (000's)
Orkney & Shetland	Volume (cwt)	142	8	450	18	301	10	198	8	200	8	141
	Value £	192	11	584	15	759	9	695	6	706	6	368
Outer Isles	Volume (cwt)	100	6	197	8	618	21	365	15	321	13	321
	Value £	42	2	212	6	1,180	14	1,221	11	2,907	10	2,729
Caithness & North East	Volume (cwt)	259	16	—	—	2	—	—	—	—	—	—
	Value £	133	8	—	—	6	—	—	—	—	—	—
Durness to Mallaig	Volume (cwt)	801	49	1,692	68	1,919	64	1,792	73	1,848	72	231
	Value £	878	50	2,771	72	5,938	71	8,495	77	8,581	76	977
Oban to Campbeltown	Volume (cwt)	343	21	163	7	147	5	106	4	181	7	53
	Value £	498	29	301	8	447	5	591	5	852	8	171
Highlands and Islands	Volume (cwt)	1,645	100	2,502	100	2,987	100	2,461	100	2,551	100	155
	Value £	1,743	100	3,868	100	8,330	100	11,002	100	11,284	100	647
Scotland	Volume (cwt)	1,998	82	2,620	96	4,223	71	3,656	67	2,990	85	150
	Value £	2,401	73	4,430	88	10,617	78	13,569	81	12,457	91	519

Table 7 (continued)
(c) Shellfish Landings

Appendix IV

Area	Volume/ Value	1966		1971		1973		1974		1975	
		Amount land (000's)	% of High- 1966 catch	Amount land (000's)	% of High- 1966 catch	Amount land (000's)	% of High- 1966 catch	Amount land (000's)	% of High- 1966 catch	Amount land (000's)	% of High- 1966 catch
Orkney & Shetland	Volume (cwt's) Value £	16 221	20 25	27 363	17 19	25 423	13 10	23 468	13 12	21 508	9 11
Outer Isles	Volume (Cwts) Value £	8 100	9 11	9 200	6 10	21 651	11 16	20 702	11 18	19 565	8 12
Caithness & North East	Volume (Cwts) Value £	8 63	10 7	3 106	2 5	5 104	3 3	3 104	2 2	2 186	1 4
Durness to Mallaig	Volume (Cwts) Value £	26 287	31 33	51 677	32 34	62 1,621	32 39	57 1,484	32 38	73 1,795	32 39
Oban to Campbelltown	Volume (cwt's) Value £	25 208	30 24	68 620	43 32	80 1,314	41 32	75 1,185	42 31	114 1,530	50 33
Highlands and Islands	Volume (cwt's) Value £	83 879	100 100	158 1,966	100 100	193 4,113	100 100	177 3,943	100 100	229 4,584	100 100
Scotland	Volume (cwt's) Value £	222 1,928	38 46	262 2,798	60 70	473 7,772	41 53	379 6,782	47 58	427 7,429	54 62

Source: Department of Agriculture and Fisheries for Scotland.

Table 8 (a)

Hotel Occupancy Rate % 1975

	April	May	June	July	August	September	October	November
Highlands & Islands ¹	34(31)	52(43)	65(61)	73(75)	79(85)	66(71)	42(42)	20(20)
Scotland ¹	35	49	57	65	69	63	42	25
England ²	39	49	54	66	69	63	50	35
Lake District ²	43(54)	56(61)	59(61)	67(65)	80(84)	73(72)	59(57)	32(24)

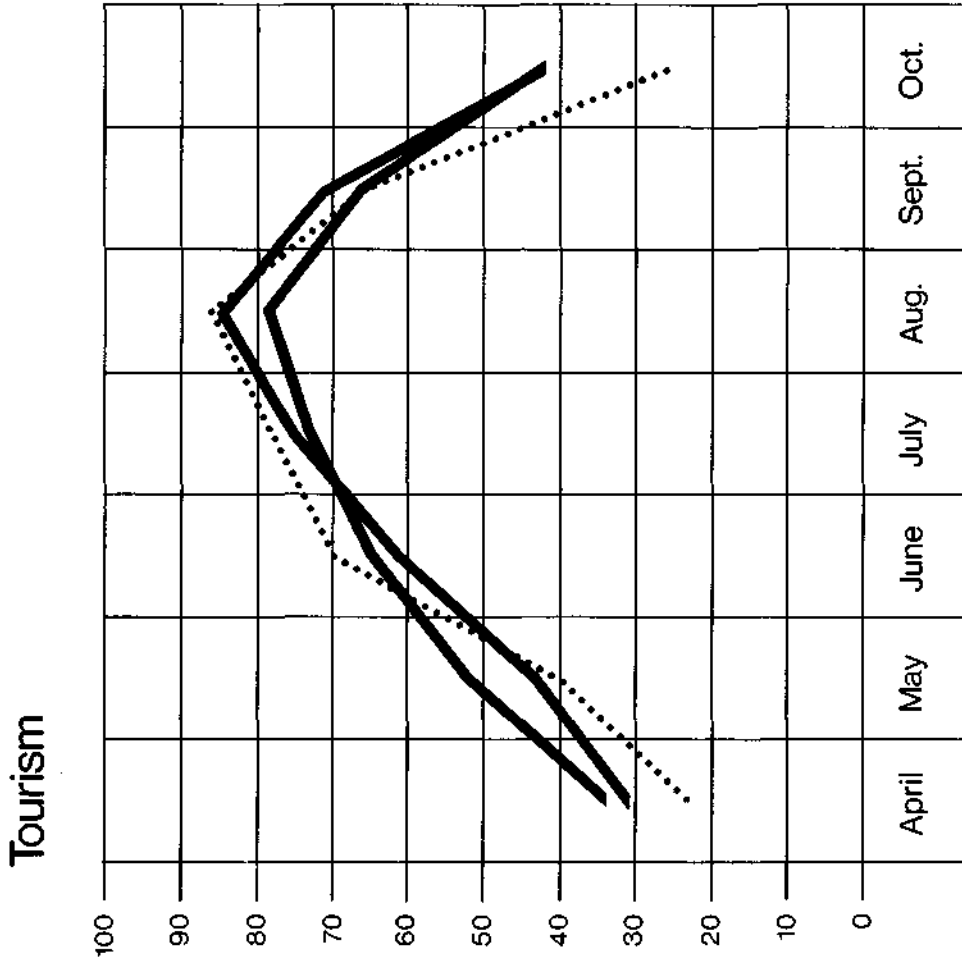
¹ Figures from Scottish Tourist Board Occupancy Survey.

² Figures supplied by English Tourist Board.

1974 Figures in Brackets.

GRAPH 3

Average monthly hotel occupancy rates in the HIDB area



	April	May	June	July	Aug.	Sept.	Oct.
1971	23	40	70	78	86	66	26
1974	31	43	61	75	85	71	42
1975	34	52	65	73	79	66	42

1971 1974 ——— 1975 ———

Road Counts

Appendix IV

Table 8 (b)

Route Number	Location of Census Point	Passenger Car Units 7-Day Average in August		1965-75 Compound % per annum
		1965	1975	
A82	Dochfour	3947	5656	4.1
A82	Blackmount	3089	4889	5.2
A83	Cairndow	3515	(4371) 4755	(2.5) 3.4
A830	Locheilside	1775	2366	3.2
A832	Marybank	1717	2959	5.1
A838	Hope Lodge	283	643	7.8
A87	Inverinate	1476	3093	8.6
A884	Lochaline	161	349	7.3
A9	Kincardine	2781	3826	3.6
A9	Kincraig	4251	(7503) 7131	(5.8) 5.9
A9	Dunbeath	1466	2307	5.2
A9	Crackaig	1664	2381	4.1

Annual Growth rate % of 45 census points on principal and other roads for the period 1963/65 — 75 = 4.3% (4.7%).

Where available 1974 figures are shown in brackets.

Source: Scottish Development Department.

Board Assistance

Appendix V

Approved Board Financial Assistance (Loans, Grants and Projects) 1965-1975 by Statistical Area

Table 1

Statistical Areas	Weighted Assistance ¹ Weighted Loan Grant and Projects				Weighted Assistance ¹ Weighted Loan Grant and Projects			
	Loan £	Grant £	Projects £	Per Head of Population £	Total £	Per Head of Population £	Total £	Per Head of Population £
1 Shetland	1,743,169	821,859	114,643	145.3	1,402,915	76.1	1,517,558	82.3
2 Orkney	1,350,329	416,996	123,396	108.3	867,105	49.7	990,501	56.7
3 Caithness	1,370,781	653,491	103,331	76.3	1,110,418	39.8	1,213,749	43.5
4 N.W. Sutherland	242,057	239,990	212	136.0	320,676	90.4	320,888	90.5
5 S.E. Sutherland	391,173	229,819	19,245	69.7	360,209	39.2	379,454	41.3
6 Wester Ross	541,732	776,831	30,762	198.1	957,408	140.6	988,170	145.1
7 East Ross	960,203	422,488	314,716	49.5	742,555	21.7	1,057,271	30.8
8 Inverness	1,930,656	1,735,865	565,617	81.5	2,379,416	45.8	2,945,033	56.7
9 Nairn	9,000	24,800	—	3.8	33,800	3.1	27,800	3.1
10 Badenoch	452,083	566,167	259,759	141.3	1,278,009	79.3	976,620	108.0
11 Skye	532,864	486,436	6,417	139.7	1,025,717	90.5	670,474	91.3
12 Lewis & Harris	1,642,808	691,435	314,233	114.8	1,239,038	53.7	1,553,271	67.3
13 Uists & Barra	594,893	375,848	752,683	246.7	574,145	82.2	1,326,828	189.9
14 Lochaber & West Argyll	794,961	959,460	131,923	106.8	1,224,447	69.2	1,356,370	76.8
15 Argyll Islands	654,298	537,538	386,953	214.3	755,637	102.6	1,142,590	155.1
16 Oban & Lorn	554,362	818,814	74,882	95.7	1,003,601	66.4	1,078,483	71.3
17 Mid Argyll & Kintyre	1,448,615	856,516	485,116	150.0	1,339,388	72.0	1,824,504	98.0
18 Dunoon and Cowal	243,083	301,378	100,428	37.2	382,406	22.1	482,834	27.9
19 Clyde Islands	7,500	1,190	1,000	0.8	3,690	0.3	4,690	0.4
General	—	—	2,210,209	—	—	—	2,210,209	—
Total HIDB assistance	15,464,567	10,916,921	5,995,525	103.6	16,071,772	51.4	22,067,397	70.6

¹No adjustment is made for inflation but effective assistance is calculated on a weighted basis of grant plus $\frac{1}{2}$ loan.

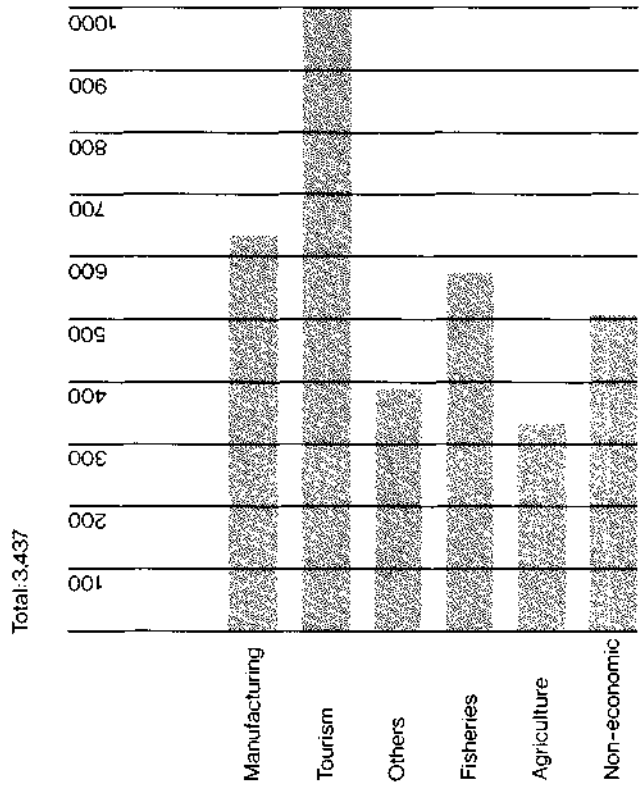
Approved Board Financial Assistance (Weighted¹ Loans, Grants and Projects) 1965-1975 by sector and statistical area

Table 2

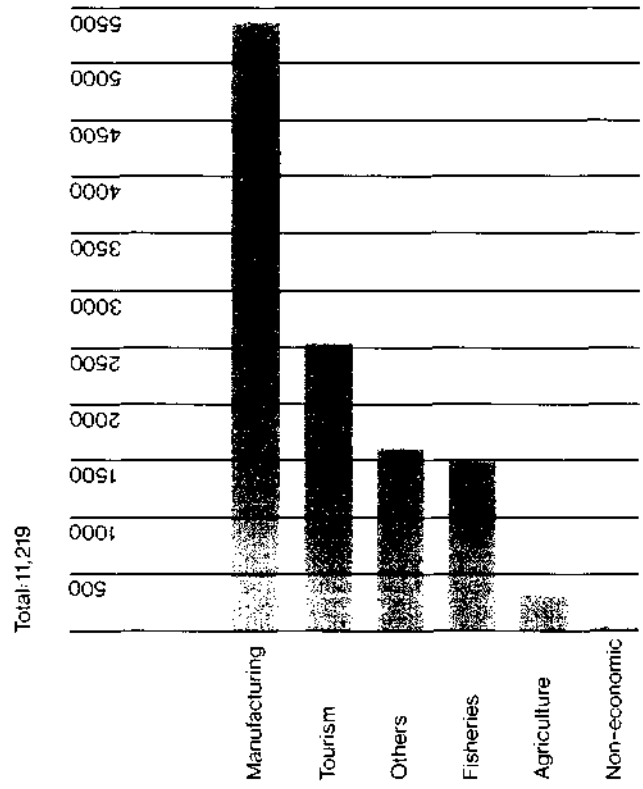
	Manuf.	Tourism	Fisheries	Other	Agriculture	Non-Economic	Projects	Total	Assistance by Area %	% of Regional Population
1 Shetland	407,908	473,764	371,386	106,705	8,407	34,745	114,643	1,517,558	6.9	5.9
2 Orkney	240,828	120,641	329,543	59,659	88,167	28,266	123,396	990,501	4.5	5.6
3 Caithness	406,217	262,587	179,374	73,217	155,796	33,227	103,331	1,213,749	5.5	8.9
4 N.W. Sutherland	64,105	144,863	71,004	20,594	4,100	16,010	212	320,888	1.5	1.1
5 S.E. Sutherland	74,837	180,164	7,198	64,959	20,025	13,027	19,245	379,454	1.7	2.9
6 Wester Ross	60,969	565,234	261,615	51,567	3,921	14,102	30,762	988,170	4.5	2.2
7 Easter Ross	252,002	169,646	31,266	115,562	123,669	50,409	314,716	1,057,271	4.8	11.0
8 Inverness	746,829	982,029	10,782	483,416	109,313	47,047	565,617	2,945,033	13.3	16.6
9 Nairn	—	16,200	—	—	11,600	—	—	27,800	0.1	2.9
10 Badenoch	72,083	588,119	1,278	27,391	11,308	16,682	259,759	976,620	4.4	2.9
11 Skye	74,406	367,121	92,118	81,263	34,502	14,647	6,417	670,474	3.0	2.3
12 Lewis and Harris	441,825	232,462	363,865	154,043	8,955	37,887	314,233	1,553,271	7.0	7.4
13 Uists and Barra	87,846	90,699	350,784	9,383	19,020	16,413	752,683	1,326,828	6.0	2.2
14 Lochaber & W. Argyll	121,508	669,597	142,222	206,505	65,667	18,948	131,923	1,356,370	6.1	5.7
15 Argyll Islands	201,923	265,811	131,919	68,006	60,873	27,106	386,953	1,142,590	5.1	2.4
16 Oban and Lorn	95,464	649,834	140,083	61,001	37,843	19,376	74,882	1,078,483	4.9	4.8
17 Mid Argyll & Kintyre	524,613	330,610	332,653	79,391	25,944	46,176	485,116	1,824,504	8.3	6.0
18 Dunoon & Cowal	65,045	264,506	30,312	7,694	7,923	6,926	100,428	482,834	2.2	5.6
19 Clyde Islands	—	2,920	—	—	—	770	1,000	4,690	—	3.7
General	—	—	—	—	—	—	2,210,209	2,210,209	10.0	—
Total HIDB Area	3,938,409	6,376,806	2,847,403	1,670,356	797,033	441,764	5,995,525	22,067,297	100.0	100.0
Assistance by Sector %	17.8	28.9	12.9	7.6	3.6	2.0	27.2	100		
Assistance per head by Sector £	12.6	20.4	9.1	5.3	2.6	1.4	19.2	70.6		

¹ Weighted assistance is $\frac{1}{3}$ loan + grant

Number of development schemes approved 1965 to 1975



Jobs expected 1965 to 1975



Development schemes, grant and loan assistance approved, and jobs expected by counties 1965 and 1975

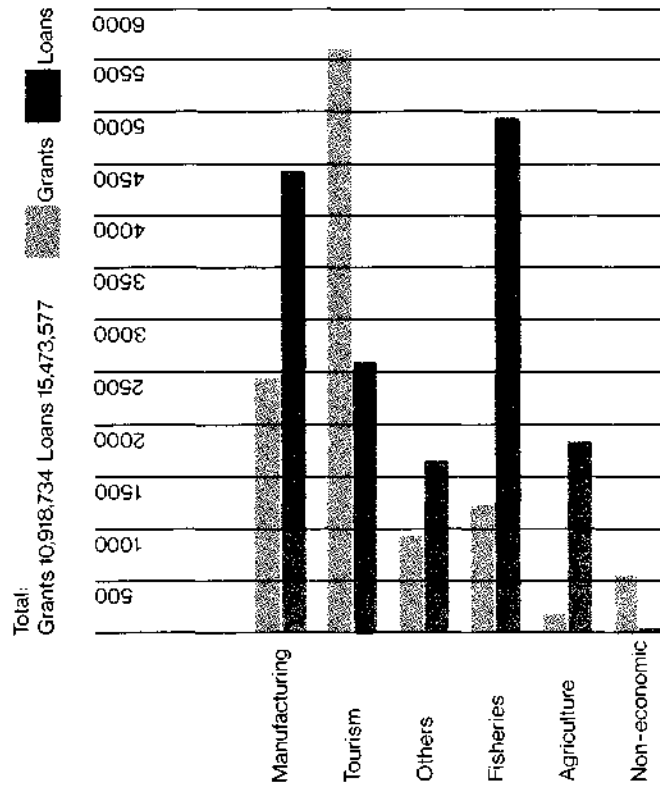
County	Projects	Assistance Approved	New Jobs
Argyll	700	5,598,603	2,168
Caithness	286	2,024,272	957
Inverness	1,007	8,645,928	4,052
Orkney	233	1,767,335	493
Ross-shire	678	4,688,106	2,351
Sutherland	212	1,103,039	324
Shetland	321	2,565,028	874
Total	3,437	26,392,311	11,219

Private investment contributed to these development schemes December 1965 to December 1975

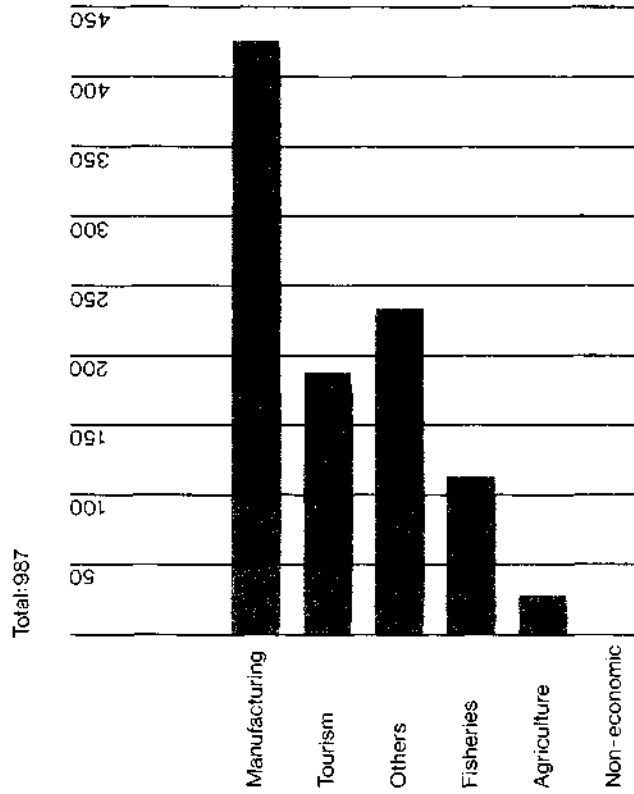
£'s



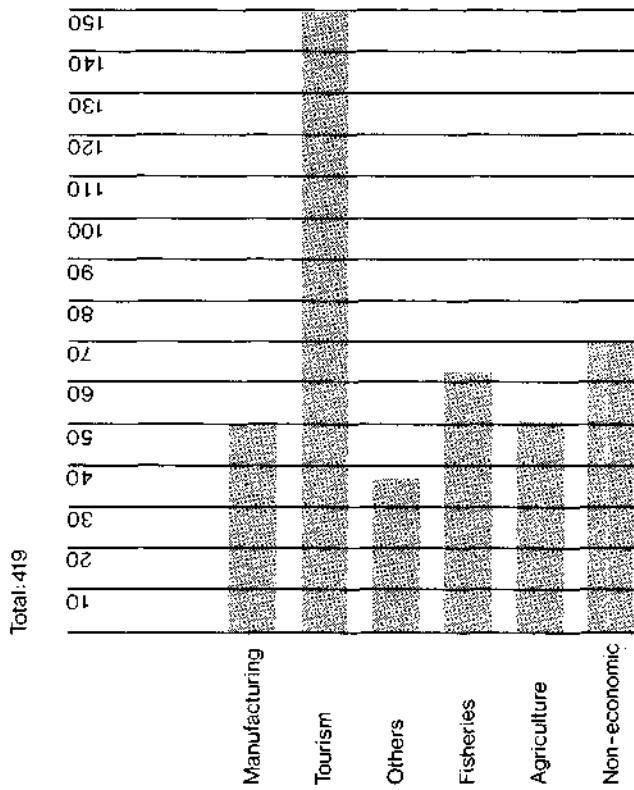
Grants and loans to approved development schemes 1965 to 1975



Jobs expected in 1975



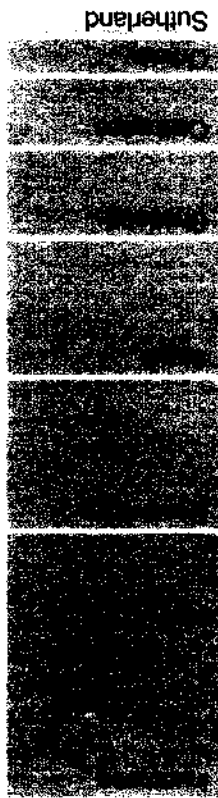
Number of development schemes approved in 1975



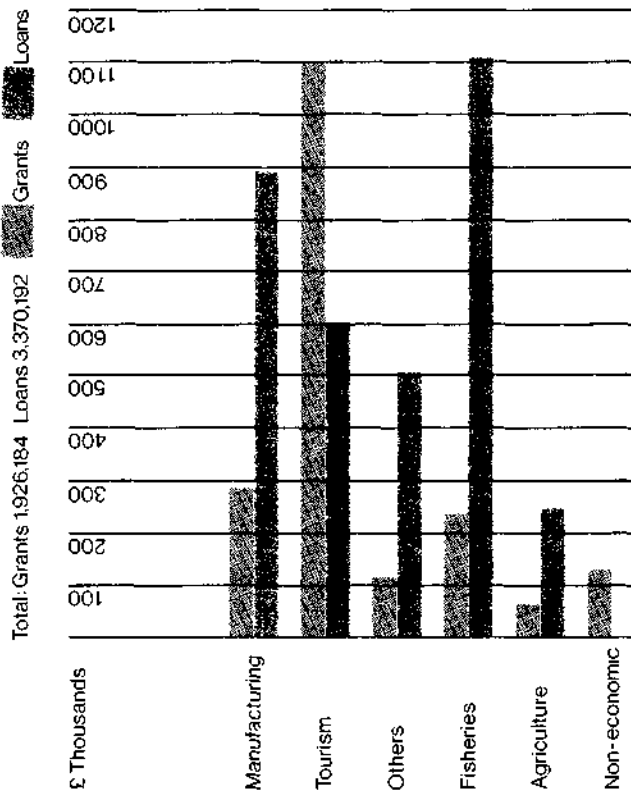
Development schemes, grant and loan assistance approved, and jobs expected by counties in 1975

County	Projects	Assistance Approved	New Jobs
Argyll	104	934,426	173
Caithness	30	466,915	133
Inverness	120	1,772,677	340
Orkney	30	279,333	23
Ross-shire	80	1,024,951	196
Sutherland	26	209,992	33
Shetland	29	608,082	89
Total	419	5,296,376	987
Board Assistance		5,296,376	
Private Investment		6,217,395	
Joint Investment		11,513,771	

£'s



Grants and loans to approved development schemes in 1975



Register of 4772 potential Employees — 31st December 1975

Group	Key Occupations		%	Group	Key Occupations		%
1	Managerial (General Management)	123	2.6	11	Farming, Fishing and Related	144	3.1
2	Prof. and Related Supporting Mang. and Admin.	885	18.5	12	Materials Processing (Exc. Metal)	39	0.8
3	Prof. and Related Educ. Welfare and Health	211	4.4	13	Making and Repair (exc. Metal and Electric)	81	1.7
4	Literary, Artistic and Sports	68	1.4	14	Process Make and Repair (Metal and Electrical)	559	11.7
5	Prof. and Related Sec. Eng. and Technology	1,006	21.1	15	Painting Assem., Inspecting and Packing	55	1.2
6	Managerial (Exc. General Management)	640	13.4	16	Constr. Mining and Related	41	0.9
7	Clerical and Related	474	9.9	17	Transport, Matls. Moving and Storing	185	3.9
8	Selling	81	1.7	18	Miscellaneous and Others not specified	100	2.1
9	Security and Protective Services	35	0.7				
10	Catering, Cleaning, Hairdressing and Personal	45	0.9				
				Total Analysed		4,772	100.0

Commissioned Enquiries, Investigations and Researches

Appendix IX

Completed or underway during the year ended 31st December 1975

(Section 9 (1) (c) of the Act)

Survey	By		
Area Development			
Survey of the impact of industrial growth in Easter Ross: environmental and land use survey	Prof. K. Walton/Dr J. Smith, Department of Geography, University of Aberdeen (commissioned in conjunction with Ross and Cromarty County Council)		In progress
Study into recreational provision in the Highlands and Islands	Tourism and Recreation Research Unit, University of Edinburgh (commissioned in conjunction with the European Economic Community)		In progress
Study into secondary education and depopulation in remote areas	University of Aberdeen		Completed May 1975
Pilot study of Wick harbour to examine wave disturbance patterns	Hydraulics Research Station, Wallingford		Completed September 1975
Transport			
North Mainland and Orkney arterial study	Jamieson, Mackay and Partners, Consulting Civil and Transportation Engineers		Completed August 1975

Appendix IX

Survey	By		
Industrial Development and Marketing			
Study of factors influencing the establishment of the electronics industry in the Highlands	Production Engineering Research Association		Completed March 1975
Food products research project	Inbucon/AIC Management Consultants Ltd		Phase 1 completed
Feasibility study of a craft training centre in the Highlands and Islands	D. Pirnie, Stockwell College of Education		In progress
Study to establish the feasibility of providing a service boat berth in Scrabster Harbour	Babbie Shaw and Morton, Consulting Civil and Structural Engineers		Completed July 1975
An assessment of the qualities of Eday, Orkney sandstone as a building stone	Robertson Research International Ltd		Completed October 1975
Study into the provision of maintenance services for the equipment and installations used in the production of offshore oil and gas	Coppas International (UK) Ltd (jointly sponsored by Caithness Maintenance Group and HIDD)		In progress
Study into oil-related off-shore maintenance potential for Caithness	Orr & Boss and Partners Ltd		Completed March 1975
Harris tweed study — double width project	HIDD in association with the Harris Tweed Association; the Weavers' branch of the Transport and General Workers Union; Hebridean Spinners Advisory Committee; Harris Tweed Small Producers Association; Wilson and Longbottom Ltd.; and the Wool Industries Research Association		Loom trials completed July 1975 — discussions still in progress
Study to determine the distribution and attitude of the make-up trades to the proposed introduction of double width tweed produced on powered looms	Inbucon/AIC Management Consultants Ltd		Completed January 1975

Survey	By	Completed
Tourism		
Market research study to assess the impact of the Board's 1974 tourism advertising campaign	Research Projects Limited	Completed February 1975
Feasibility of developing a tourist resort in Strathpeffer area	HIDB; Ross and Cromarty County Council	Completed March 1975
Fisheries		
Investigation of test boreholes at selected sites within the Highlands and Islands	Prof. A. K. Pringle	In progress
Investigation into the age and growth rate of eels	Dr G. R. Williamson	In progress
Experimental raft mussel and oyster cultivation, Loch Eriboll	J. Phillips	In progress
Study to identify a site for pier facilities in connection with proposed development of fish meal processing facilities in East Loch Roag	Crouch and Hogg, Consulting Engineers	Completed May 1975
Test fishings to assess the commercial feasibility of an industrial fishery for blue whiting to the West of the Hebrides	J. A. Buchan in conjunction with J. Pirie	Completed May 1975
Research programme to evaluate the potential for scallop cultivation	J. J. Walford	In progress
Survey to identify market opportunities in selected West European countries	Fisheries Development Ltd	In progress
Investigation of salinity tolerance of sunbeam trout	Fisheries Development Ltd	In progress

Appendix IX

Survey	By	
Land		
Mull grouse survey	HIDB staff in consultation with J. Phillips, Game Adviser to Economic Forestry Group; and A. Watson of the Nature Conservancy	In progress
Study of meat production and the processing industry in the Highlands	I. S. Jarratt and HIDB staff	Completed December 1975
Study of employment and income generated from sporting activities in the Highlands and Islands	Dr W. E. S. Mutch, University of Edinburgh and J. Phillips	In progress
Recording programme of group marketed calves from the Uists and Mull	Meat and Livestock Commission and East of Scotland College of Agriculture	In progress
Highland agriculture and land use	Prof. G. F. B. Houston and HIDB staff	Completed September 1975
Study of supplies of draff and uses of pot ale	University of Aberdeen	Completed December 1975
Study of milk supplies to the islands	University of Aberdeen	Completed December 1975
Study of agricultural contractors	University of Aberdeen	In progress
Study of part-time farming	University of Aberdeen	In progress
Study of economics of deer farming	HIDB staff in consultation with Hill Farming Research Organisation	In progress
Study of grazing value of different hill land types for deer and of the winter nutrition of hinds	University of Edinburgh	In progress
Feasibility study of limestone production in the Caliburn area of the Mull of Kintyre	Robertson Research International Ltd	Completed
Venison production in the Highlands and Islands	A. B. Cooper	In progress
Pilot study to assess the feeding value of fish silage for cattle	North of Scotland College of Agriculture	Completed

In addition to the studies commissioned directly by HIDB the Board participated in the following studies commissioned or carried out by other bodies:

Study of existing and potential tourism on farms, crofts and estates	Scottish Tourist Board and HIDB (carried out by Department of Forestry and Natural Resources, University of Edinburgh)	In progress
Hotel occupancy study 1975	Scottish Tourist Board and HIDB (carried out by Social and Environmental Consultants, Edinburgh)	In progress
Self catering occupancy survey 1975	Scottish Tourist Board and HIDB (carried out by Tourism and Recreation Research Unit, University of Edinburgh)	In progress
Study of tourism and recreation in Scotland	Scottish Tourist Board; Countryside Commission for Scotland; Forestry Commission and HIDB (carried out by Tourism and Recreation Research Unit, University of Edinburgh)	In progress
Study of second homes in Scotland	Countryside Commission for Scotland; Scottish Tourist Board; Scottish Development Department; Scottish Economic Planning Department and HIDB (carried out by Dartington Amenity Research Trust)	In progress
Study to assess the effects of North Sea oil development in East Ross on labour supply and community services in East Sutherland	East Sutherland Council of Social Service	Completed December 1975
Study of cruising facilities in Strathclyde region	Scottish Tourist Board, Strathclyde Regional Council and HIDB	Completed December 1975
Ecological studies, Scapa Flow	Orkney Islands Council; Nature Conservancy (carried out by University of Dundee)	In progress
Marine fish farming research programme at Ardtoe	White Fish Authority	In progress
Feasibility trial into cultivation of turbot in floating cages in Orkney	Orkney Islands Council	In progress

Membership of the Mull Development Committee

Appendix X

as at 31st December 1975

CHAIRMAN
J. R. E. Nelson

VICE-CHAIRMAN
Mrs A. Carothers

MEMBERS
H. Cameron
Mrs E. F. Ellis
H. Hickford
Rev. G. Holroyd
J. A. MacDonald
P. MacInnes
A. MacIntyre
E. J. Mather, MBE, TD
Lt. Col. A. G. Miller, DSO
J. O'Hare
P. J. Riley
W. Goudie

SECRETARY
J. R. Gibson

Membership of Highlands and Islands Development Consultative Council

For the period 1st January 1975 to 15th May 1975

Appendix XI

As at 31st December 1975

CHAIRMAN
The Hon Lord Cameron, DSC, LLD

MEMBERS

- †Wg. Cdr. D. S. Bell, DFC, AFC
- †R. R. Bentley
- J. D. Brown
- *G. N. Burns
- R. H. W. Bruce, CBE
- Lt-Col. C. A. Cameron, MC, TD
- *F. M. Cook
- L. Dewhurst
(resigned January 1975)
- J. F. A. Gibson, TD
- G. Grant
- F. F. Kelly
- H. G. M. Liddell
(resigned December 1975)
- D. M. McBain, OBE
- Major A. J. MacDonald
- †R. MacFarquhar
- *F. Macintosh
- D. MacKay
- J. K. MacKay
- †T. MacKenzie, MM
- *A. C. McLean
- N. I. MacLean
- *†C. MacLeod
- D. L. MacMillan
- Mrs M. MacPherson
- *G. M. R. MacRae
- R. N. L. Malcolm
- H. A. Maxwell, OBE
- Lt-Col. A. G. Miller, DSO
- Provost W. G. Mowat
- P. W. Mummery, OBE
(resigned January 1975)
- †T. Nicolson, OBE
- †W. P. Reid
- A. Rugg
- †Col. J. Taylor, MC TD

SECRETARY
T. H. John

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The Hon Lord Cameron,
DSC, LLD

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- *A. C. McLean
- Miss MacLean of Ardgour
- N. I. MacLean
- R. MacLean
- *C. Macleod
- †D. L. MacMillan
- D. U. MacMillan
- Mrs M. MacPherson
- *G. M. R. MacRae
- R. N. L. Malcolm
- H. A. Maxwell, OBE
- Rev. M. J. Nicolson
- †T. Nicolson, OBE
- W. P. Reid
- Mrs A. M. Rodgers
- A. D. Scott, TD, DL
- Mrs E. Sillars
- †Col. J. Taylor, MC, TD
- E. Thomason

SECRETARY
T. H. John

†Transport and Communications Sub-Committee Member (Convener D. L. MacMillan)

*Education Sub-Committee Member (Convener F. Macintosh)

Miscellaneous Statistics

Appendix XII

	1961	1966	1971	1974	1975*	1961	1966	1971	1974	1975*
Population										
Highlands and Islands	277.9	277.3	283.5	289.1	316.0					
Males per 1,000 females	949	951	951	963	—					
Percentage of population between 15 and 65	61.1	60.1	58.2	65.7*	—					
Births per 1,000 population	16.7	17.6	15.9	14.0*	—					
Deaths per 1,000 population	14.4	14.5	13.6	14.2*	—					
Per cent migration		1961-66	1966-71	1971-74	74*-75*					
No. of households	84,350	-2.0	+0.9	+3.1	+1.2					
		93,245								
Employment	1961	1966	1971	1974	1975*					
Economically active ('000's)	114.2	—	118.9	—	—					
Working population ('000's)	107.8	—	109.4	—	—					
Employees ('000's):										
Males (Approx.)	56.3	54.7	52.2*	63.8*	—					
Females (Approx.)	26.5	29.1	31.1	37.8	—					
Percentage of employees in:										
Primary	15.7	12.1	11.4*	9.4*	—					
Manufacturing	9.9	11.0	12.1	16.4	—					
Construction	15.6	13.9	11.9	12.2	—					
Services	58.8	63.0	64.6	62.0	—					
Unemployed ('000's):										
(Average for year)	6.0#	5.2	6.8	4.7	6.1					
(Average %)	7.3#	6.1	8.0	4.8	5.9					
Unfilled vacancies: ('000's)										
(Average for year)	—	.7	.7	2.1	2.1					
Unemployed age 40 and over, and unemployed for over 6 months ('000's):	1962	1966	1971	1974	1975*					
	1.2	1.2	1.7	1.2	1.3					
Incomes										
Average Earnings (£'s):	1961-62	1966-67	1971-72	1973-74	1974-75					
Males	—	994	1,504	1,984	—					
Females	—	538	818	1,048	—					
Primary and Industrial Activity										
Agriculture:										
Acreage (1,000) under —										
Agricultural land	8,335.3	8,228.6	7,525.8	7,503.2	7,666.7					
Rough grazings	7,736.8	7,628.7	6,982.3	6,977.7	7,099.8					
Grass	417.3	435.3	409.6	405.4	433.6					
Oats	104.0	80.7	51.9	34.7	35.2					
Barley	14.9	33.8	44.5	54.9	66.6					
Wheat	2.5	3.7	4.9	3.0	2.3					
Potatoes	10.8	8.9	6.2	4.3	4.3					
Vegetables for human consumption	0.18	0.14	0.17	0.24	0.21					
Soft fruit	0.09	0.15	0.36	0.35	0.34					
Livestock ('000's)										
Sheep	2,869	2,750	2,445	2,318	2,377					
Total cattle	313	316	343	340	436					
Beef breeding herd	96	109	125	146	156					
Dairy breeding herd	34	41	25	26	33					
Poultry	1,113	745	438	328	323					
Pigs	21	19	23	22	23					
Number of full-time employees	8,636	6,098	4,008	3,607	3,755					
Number of agricultural units	25,643	23,453	12,688	9,652	10,077					
Number of Units up to 50 acres	19,796	17,916	7,566	4,787	4,877					
Number of Units between 50-250 acres	3,661	3,490	3,203	2,976	3,189					
Number of Units between 250-500 acres	694	645	621	634	705					
Number of Units above 500 acres	1,492	1,402	1,298	1,255	1,306					
Number of registered crofts	19,585	18,932	18,447	18,149	18,111					
Number of working croft units	14,940	15,509	14,162	14,162	13,639					
Crofts of 275 or more SMD's	—	—	524	595	561					
Acres of croft land improved	3,406	3,298	2,174	1,861	1,778					

Primary and Industrial Activity (Continued)		1961	1966	1971	1974	1975*
Fishing:						
White fish landings		1961	1966	1971	1974	1975*
Volume (000 cwt's)		405	854	1,192	1,493	1,710
Value (£000's)		1,397	2,673	4,461	6,728	6,915
Herring landings						
Volume (000 cwt's)		796	1,645	2,502	2,461	2,551
Value (£000's)		884	1,743	3,868	11,002	11,284
Shell Fish landings						
Volume (000 cwt's)		58	83	158	177	229
Value (£000's)		561	879	1,966	3,943	4,584
Regularly employed Fishermen		N/A	1,541**	1,959	2,122	2,002
Forestry:						
Area of Forestry Commission and private plantations (000 acres)		—	421.4	528.8	669.0	690
Full-time employees of Forestry Commission		1,300	2,102	1,537	1,215	1,240
Construction:						
Total houses built		897	1,531	1,950	2,157	4,580
Total private houses built		363	536	756	776	1,160
Total L.A. and SSHA houses built		510	848	1,067	1,314	3,176
Others		24	147	127	67	244
Value of new construction orders received by contractors (£ million)		—	—	24	196	168
Number of employees		12,900	11,700	11,300	12,387	—
Number of people in oil related construction work		Nil	Nil	Nil	674	1,845
Other Production:						
Number of people directly employed on onshore oil activity		Nil	Nil	Nil	4,993	7,394
Manufacturing — number of employees		8,200	9,300	11,600	16,655	—
Index of output of electricity		100	127	155	166	—
Production of Harris Tweed (million yards)		4.95	7.63	4.71	3.40	2.62
Number of employees in distilling		847	1,369	1,006	1,152	—
Tourism						
Number of licensed hotels and restaurants		462	554	663	739	—
Number of employees in hotel and catering		5,926	6,661	7,486	10,045	—
Average monthly hotel occupancy rates		1971	1966	1971	1974	1975*
		23	40	70	86	66
		31	43	61	75	85
		34	52	65	73	79
		1971	1966	1971	1974	1975*
		100	167	202	234	—
		8.8	5.3	4.4	3.9	—
		100	155 ^o	219	273	259
		100	191	206	307	316
		100	142	288	388	368
		100	207	226	317	292
		100	89	126	145	146
		100	156	217	216	249
		1963	1965	1971	1974	1975
		100	86	167	208	—
Transport						
Index of private cars licensed in Highlands (1961=100 or 31,660 cars)		100	167	202	234	—
Persons per car		8.8	5.3	4.4	3.9	—
Index of road traffic on A9 at Kineraig (1961 = 100 or 2,751 PCU's)		100	155 ^o	219	273	259
Index of passengers at Main Highland airports (1961 = 100 or 191.3 thousand)		100	191	206	307	316
Index of passengers at Inverness Airport (1961 = 100 or 37.9 thousand passengers)		100	142	288	388	368
Caledonian Canal vessels passing (1961 = 100 or 868 vessels)		100	207	226	317	292
Crinan Canal vessels passing (1961 = 100 or 2,082 vessels)		100	89	126	145	146
Number of passengers on Kylesku — Ferry (1961 = 100 or 65828 Passengers)		100	156	217	216	249
Index of passengers on Perth-Inverness rail line (1963 = 100 or 254,307 passengers)		1963	1965	1971	1974	1975
		100	86	167	208	—

Appendix XII

	1961	1966	1971	1974	1975	1961	1966	1971	1974	1975
Housing										
Stock of occupied permanent dwellings of which:										
Owner occupied%	82,767	—	87,105	—	—					
Rented from Local Authorities and SSHA%	42.2	—	42.3	—	—					
Other forms of tenure %	23.6	—	35.0	—	—					
Non-permanent dwellings	34.2	—	22.7	—	—					
Dwellings with density greater than 1½ person per room %	843	—	1,265	—	—					
Householders without hot water	8.5	—	3.7	—	—					
Supply %	29.7	—	11.1	—	—					
Households without bath %	33.1	—	14.5	—	—					
Households without WC %	20.4	—	7.1	—	—					
Education										
<i>Primary:</i>										
Number of pupils	—	31,505	33,061	35,143	35,405					
Pupil/teacher ratio	—	22.4	22.1	20.6	19.5					
<i>Secondary:</i>										
Number of pupils	—	16,112	17,330	20,650	21,971					
Pupil/teacher ratio	—	14.5	14.2	14.2	14.5					
Number of pupils with at least one 'O' level	—	1,460	1,790	2,723	—					
<i>Miscellaneous Indicators</i>										
Crimes per 1,000 population	10.2	10.9	21.1	22.0	—					
Offences per 1,000 population	36.4	30.4	52.5	73.4	—					
Regular police strength	409	537	570	647	—					
Stillbirths and deaths in the first week of life per 1,000	26	29	21	22	—					
Total births	38	39	72	67	—					
Deaths caused by motor vehicle accidents	55,752	—	48,460	—	—					
Number of Gaelic speakers in Highlands and Islands	—	18.2	28.7	37.7	—					
Local Authorities rates receipts per head of population (£)	—	—	—	—	—					

* Figures include Nairn, Bute and Cromdale

** Figures refers to 1968

† Improved count of fishermen in 1971 and 1974

†† Figure refers to 1967

Includes T.S.

* Figure refers to 1965

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