

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Committee on Trade and Development
Group on Adjustment Assistance Measures

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ADJUSTMENT ASSISTANCE PROGRAMMES

Addendum

Statement Submitted by the United Kingdom Government

1. There is no legislation in the United Kingdom at present in operation specifically to assist industry to adjust itself to increasing imports from developing countries.
2. Assistance of this kind was, however, given under the Cotton Industry Act of 1959, which provided for a five-year period of reorganization and rationalization in the cotton industry. Detailed information on this was given in COM.TD/H/3, dated 3 February 1966 (and also to the Cotton Textiles Committee - COT/105/Add.2, dated 15 October 1968).
3. There are a number of general measures in force which include provisions to assist the diversification of industry in certain areas of the United Kingdom and the adaptation of industry to changing conditions, but they are not directly related to problems which may be caused by increasing imports from developing countries. The following brief details may, however, be of interest:
 - (i) Regional policy: Various forms of assistance are given to encourage industrial development and diversification in those regions (the development areas) which are heavily dependent on the country's older and declining industries, and to even out the pressure of demand for labour throughout the country. They include building grants, and grants and loans towards initial expenditure incurred in setting up in a development area; the erection of factory buildings for sale or rent (including advance factories without a known occupier in mind); a higher rate of investment grant towards expenditure on new plant or machinery; the payment of a regional employment premium at a weekly rate in respect of each employee engaged in manufacturing industry; assistance with industrial training, and grants to local authorities for the clearance of derelict land.
 - (ii) The Industrial Re-Organization Corporation Act, 1966, arose from the need for more concentration and rationalization of industry and the recognition that market forces alone would not necessarily produce the necessary structural changes. The Corporation which it established may, for the purpose of promoting industrial efficiency and profitability and assisting the economy of the United Kingdom or part of the United Kingdom,

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- (a) promote or assist the reorganization or development of any industry;
or
- (b) if requested to do so by the Secretary of State for Economic Affairs, establish or develop, or promote or assist the establishment or development of, any industrial enterprise.

(iii) The Shipbuilding Industry Act, 1967, subsequently amended by the Industrial Expansion Act, 1968, (see (iv) below) set up the Shipbuilding Industry Board with power to make loans and grants to assist projects designed to improve the efficiency of the shipbuilding industry, including reorganization schemes and mergers.

(iv) The Industrial Expansion Act, 1968, enables the Government to assist projects which are in the national economic interest but which would be unlikely to attract sufficient finance from the private sector. Direct assistance is available for projects designed to promote efficiency, to support technological advance or to create, expand or sustain productive capacity.

(v) Under the Industrial Training Act, 1964, Industrial Training Boards were set up to assist industry with the training of labour in new skills and re-training of redundant labour made necessary by industrial change and technological advance. The analysis of training requirements and the production of training recommendations are among the activities of the Boards, which are financed jointly by the Government and by a levy on employers. Government Training Centres undertake most of the re-training of adults for skilled employment, but industry itself re-trains adults extensively and grants are available from the Training Boards towards the cost. Special assistance is given towards the cost of such industrial training in the case of firms that provide additional jobs in the development areas.