FUTURE IMPERFECT
TRIDENT AND THE CLYDE

A REPORT PRODUCED BY

THE ALTERNATIVE EMPLOYMENT STUDY GROUP

1988

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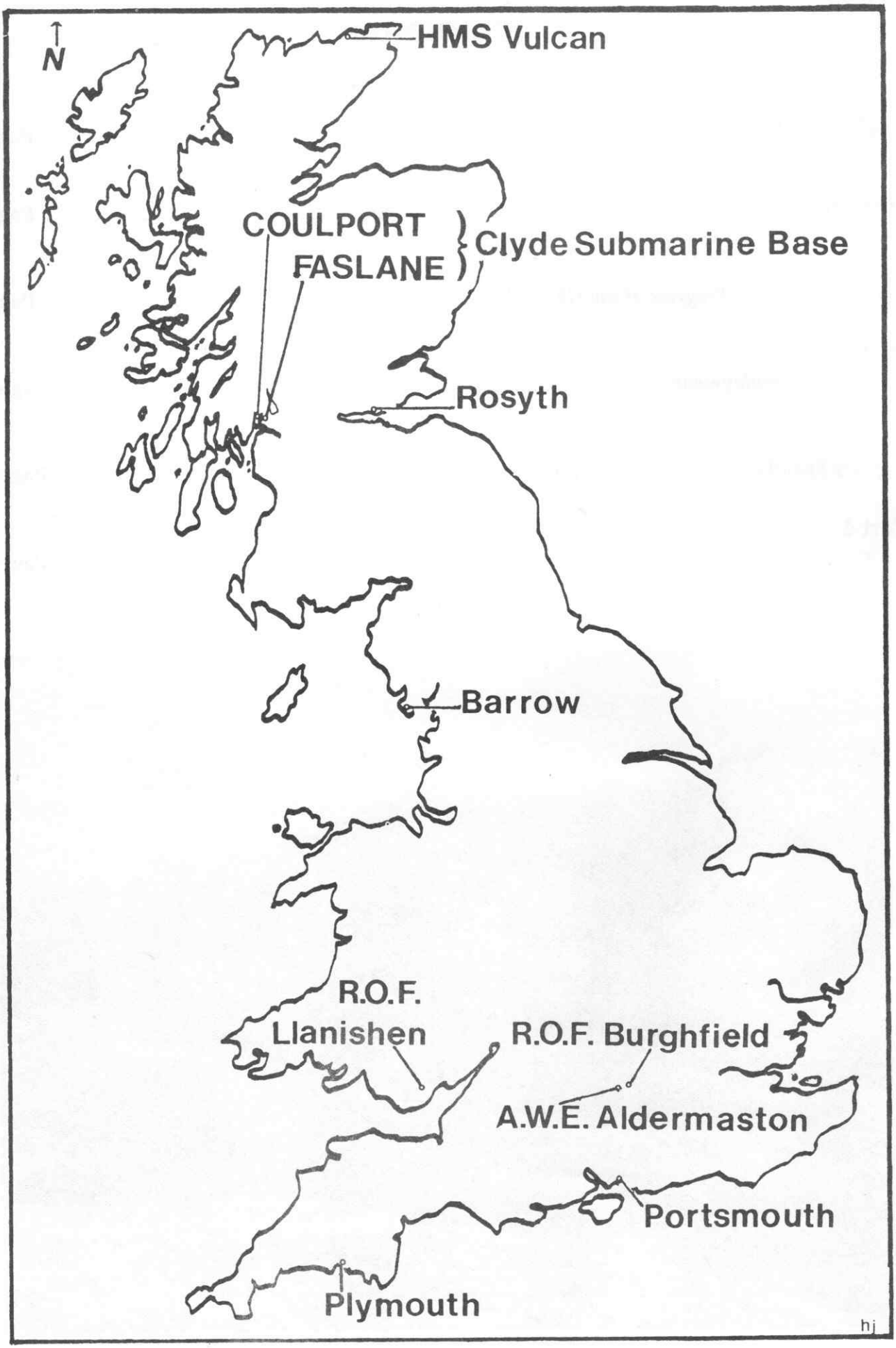
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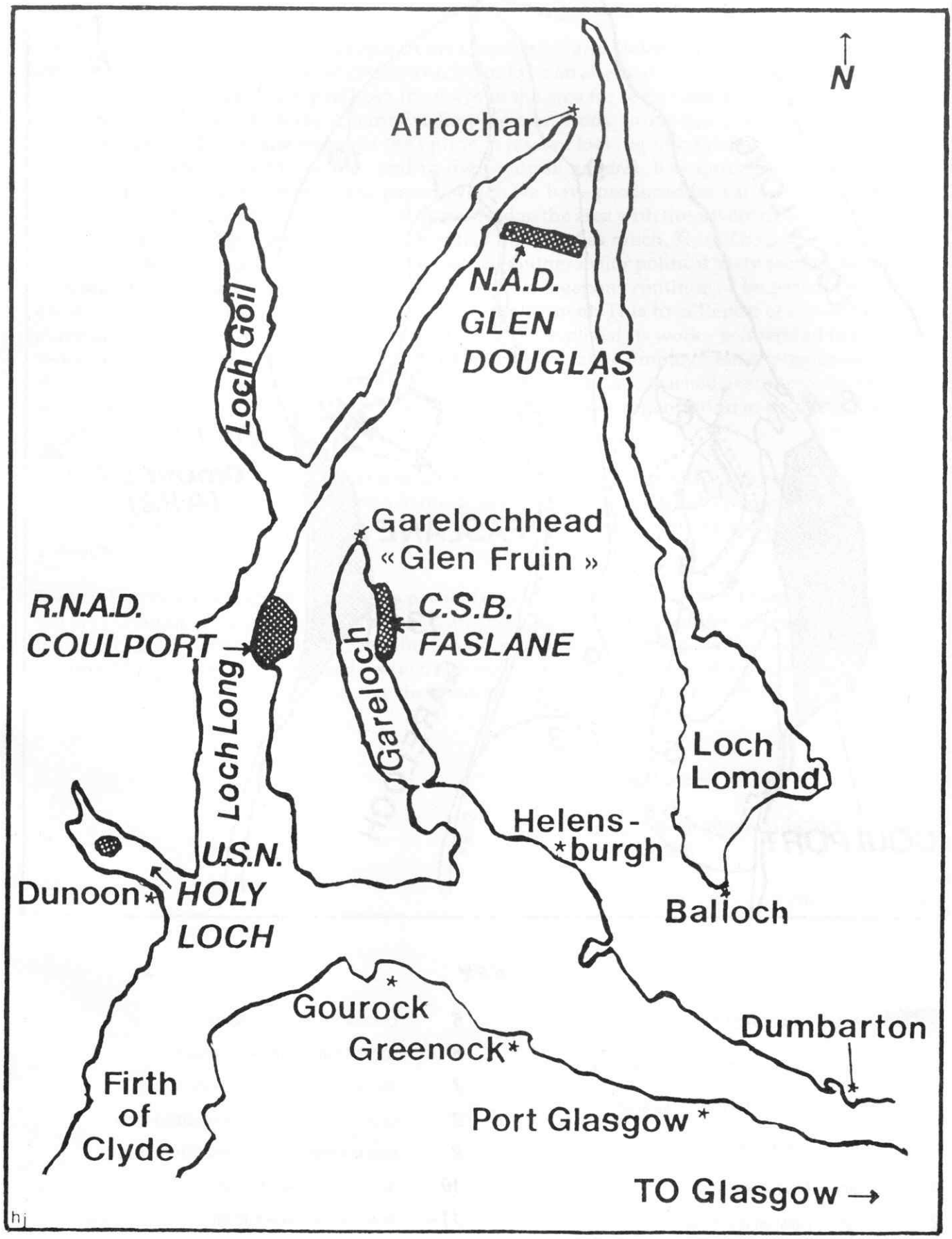
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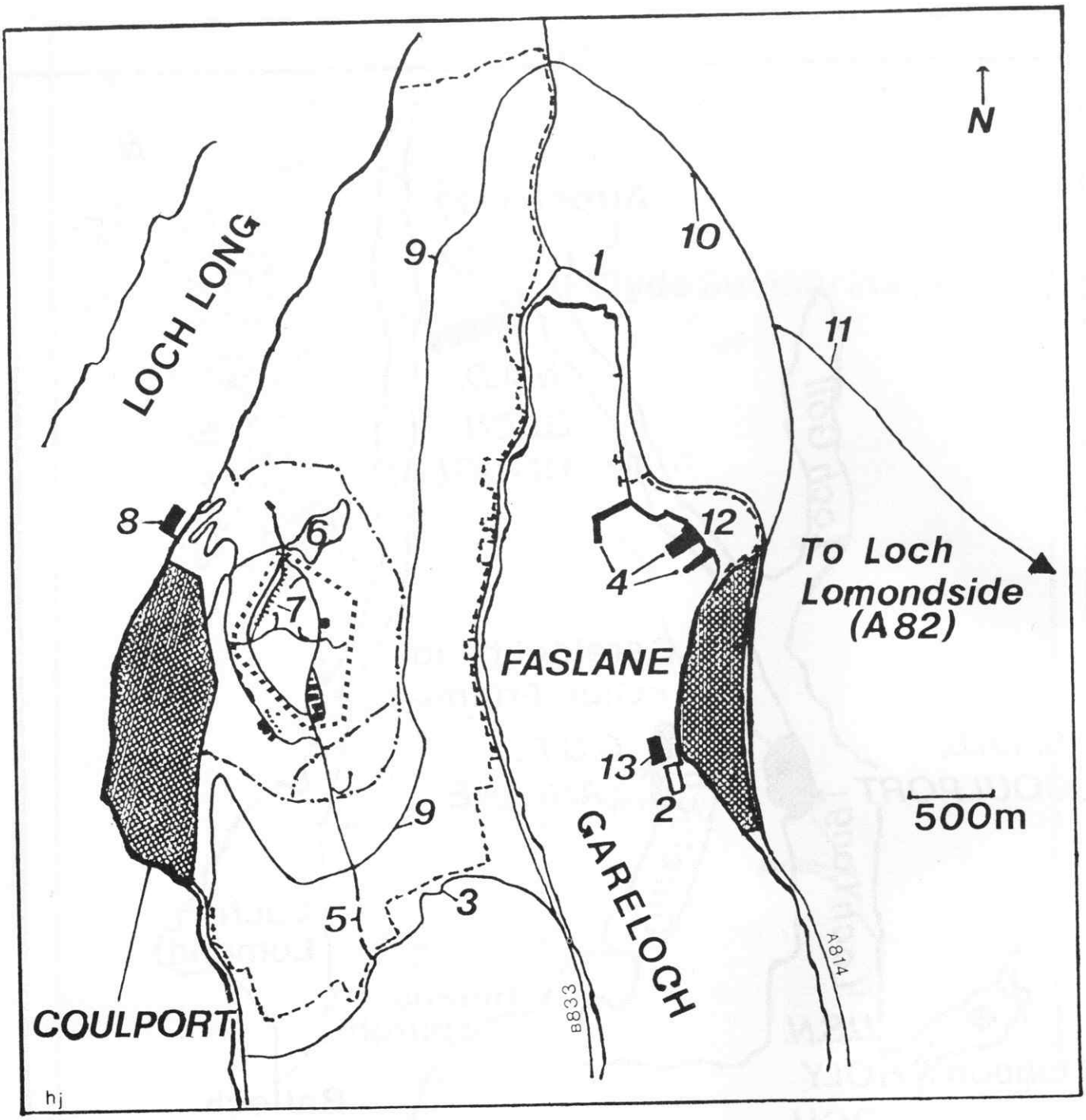

KEY

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PREFACE

"It is now some five years since people in the Dumbarton and Helensburgh Area got together to examine the possibilities of employment which would be an alternative to the Military and Nuclear intensive employment which had been the norm in the area for some time. Five years on it is still a problem but one in which the Alternative Employment Study Group has helped to identify and highlight, giving future governments the option at least of looking into the possibility of socially productive employment in our area and in the Clyde in general. It is quite clear from AESG's previous Report and the subsequent papers which we have produced for various functions and organisations, that employment itself will be reduced in the area with the advent of Trident. Indeed a recent response to a parliamentary question had indicated as much. This of course is something which we had made clear some time ago but which neither major political party seemed prepared to accept, indeed it is clear that whether or not nuclear weapons continue to be part of the Clyde environment, it would still mean a reduction in employment. This final Report of the AESG - we all believe it is wrong to continue a project which has completed its work - is intended to provide those organisations with the opportunity to develop Alternative Employment strategies based on the statistics, the details, the analysis and prognosis which we have reached over the years. We feel we have provided a valuable base for information for any major organisation to be able to take on a difficult task such as this.

I hope you will read it with interest and glean from it the very necessary information which is required if we are to make any progress in the direction of socially productive employment and get away form the anti social, non-productive, non labour-intensive military and nuclear based industry.

I would like to thank Harry Bickerstaff in particular for the photographs, Huw Jones for taking over the organisation of the attendant conference, and helping in the compilation of this Report at very late notice, Mike Danson for his contribution on economic modelling and in particular Russell Fleming, without whose drive and enthusiasm over the last three years, the project would quite clearly not have achieved anything like the staus and professionalism which it did."

Iain Macdonald
Chairperson
Alternative Employment Study Group
February 1988

INTRODUCTION

In 1985 the Alternative Employment Study Group produced a report called 'Polaris and Trident... The Myths and Realities of Employment'. It was an attempt to trace the development of the Clyde Submarine Base and its impact on the Clyde area. One of the reasons for producing the report was the Government's decision to replace Polaris with Trident.

Between 1985 and 1988 the AESG has conducted a wide range of research into various aspects of the wider defence debate. During the course of our work we have become increasingly aware of the general lack of information about the economic effects of defence spending. Additionally we feel very strongly that there is a genuine need to monitor the expenditure and decisions of the Ministry of Defence much more closely than has been case in the past.

Unfortunately the AESG is not the body best suited to carry out that work. This fact combined with the tangible acceleration of the Trident programme led to the AESG Committee deciding that the role of the project had largely been superceded by circumstances. One result of the decision is the final report and the conference at which it was presented. It is in one sense a swan-song however we all hope that others may recognise the need to take up some of the projects' ideas in a different form in the future.

Over the last four years members of the AESG have all been trying to confront the issue of 'what is alternative employment and what will happen if jobs were to be lost at the Clyde Bases?' It is ironic that the MoD have spent almost seven years claiming that the Trident programme will safeguard employment, and then in December 1987, announced that civilian jobs will be lost at Coulport because of Trident and alternative employment will need to be found.

To date the Ministry have not made it clear how many jobs will be affected or what kind of alternatives they are considering. We hope that their decisions will involve a far higher degree of consultation than their previous ones and that the result brings a broader range of opportunity to the area of the Clyde as a whole.

For those who have been involved in the AESG the problems of alternative employment has been a thorny one. In this report we are still left with considerable uncertainty about how this issue should be resolved. On the one hand it was easy to identify the labour intensive work which NEEDS to be done on housing, in health and general improvements to the infrastructure. On the other hand there is the problem of explaining how central government budgets earmarked for major defence programmes, such as Trident, could be transferred for meeting need and creating new jobs in local authorities. This is particularly difficult at a time when central government is pursuing a philosophy which is directed toward the fostering of the private rather than the public sector.

This report is an attempt to confront the issues which have been generated by the presence of the Clyde Bases and the Trident programme. We have hoped to provide a readable discussion of the main issues rather than a technical analysis of the problems. The first part of the report concentrates on the progress of the Trident programme since our last report was published in 1985.

Part two concentrates on the wider implications of defence spending and its impact on the local economy and considers the differences between attitudes and legislation in the UK and the US.

Part Three attempts to consider some of the methods which have been adopted and proposed to try to resolve the economic difficulties facing areas like the lower Clyde. By its nature this section is a resume rather than an exhaustive survey.

If at times some of our conclusions appear vague or over simplistic it should be stressed that this tends to reflect the range of issues which come into play when trying to get to grips with the

relationship between national defence interests and defence spending, and local economic needs and the impact of defence spending. The problems are compounded by the very nature of defence as a topic for study. Depending on an individuals standpoint, we have either too much or too little defence and in the context of the 'defence debate' subjective opinions are frequently elevated to the status of self evident truths.

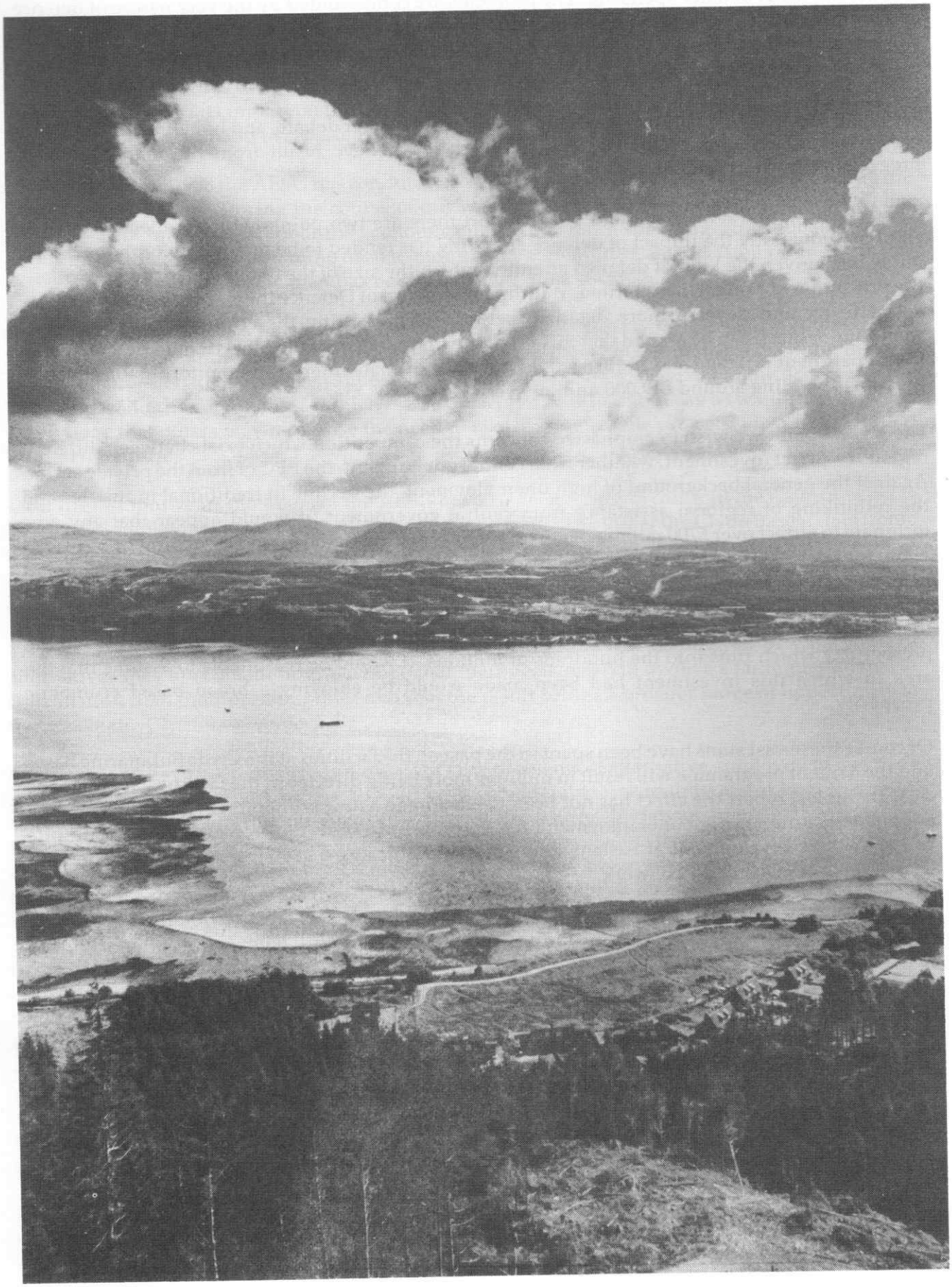
The main object of this report is to attempt to stimulate further debate, and hopefully future action to try and offset some of the difficulties which we believe result from the management of programmes such as Trident.

Before turning to the main content of the report there are two points which we feel need to be emphazised. Firstly the impact of defence spending has tended to be ignored by economists and rarely been given the kind of detailed attention which the size of the total budget and particularly the procurement budget, has merited. Within the Ministry of Defence there is very little interest or desire to try and develop more detailed methods of measuring the economic effects of their spending. While it can be argued that this is not the first concern of the MoD it could be argued that the Department of Trade and Industry does have a legitimate interest in monitoring the effects of the MoD spending around £19,000 million every year.

The second point we wish to emphasize concerns the competition which exists between different regions to attract investment, whether from central government, the EEC of from the private sector. Against the general background of high unemployment, the decline in traditional industries and the rethinking of regional assistance from central government, it would appear that any area fortunate to attract over £700 million of government spending in the period stretching from 1984 to about the year 2000 would consider itself to have resolved some of its unemployment problems and to have secured a solid foundation for developing new economic initiatives. By any standards £600-700 million over a ten to fifteen year period is a massive sum for any single area to attract. If that figure is seen as an addition to previous expenditure stretching from the early 1960s to the present day which runs into the hundreds of millions, it would be reasonable to assume that the area in which this investment had been made would be enjoying a broad based ecomomic prosperity.

Of course these vast sums have been spent in the past on the facilities at the Clyde Submarine Bases and the Trident programme will result in millions more being directed at the facilities. As we made clear in our last report the effect has not been to encourage a new economic revitalisation or even supplied a solution to high unemployment. As this report will show the problems continue in spite of the Trident development at Faslane and Coulport gathering a growing momentum and very large sums being spent on the work.

The combination of these various ironies might help to explain why this report is called - 'Future Imperfect'.



R.N.A.D. Coulport from Ardentinny

PART 1
THE TIMETABLE AND PROGRESS OF THE UK TRIDENT PROGRAMME.

In July 1980 the Government announced its decision to replace Polaris with the US Trident I C4 missile. The arrangements were that the new missile was to be purchased from the US in a deal similar to the 1963 Polaris Sales Agreement. They stated it had,

> *'concluded that responsible planning must look to progressive replacement of the present force (Polaris) beginning in the early 1990s.'*
> *(The Future United Kingdom Strategic Nuclear Deterrent Force' p8.)*
> *(Defence Open Govt. Document 80/23)*

In 1982, two years after the decision to purchase the Trident I C4 system from the US, the UK Government decided to opt for the more advanced Trident II D5 system which the US had just started to develop. The effect of this decision on the UK timetable was to link it to the US pace of development of a system which was considerably more complex and less developed than Trident I.

In general terms the main difference between Trident I and Trident II concerns the potential number of warheads each can carry and the accuracy with which they can be delivered. In the case of Trident II its increased accuracy has caused it to be considered a weapon of first strike. In terms of the impact on the development timetable the increased requirements for guidance and associated systems has resulted in increased complexity and a larger element of uncertainty over the timetable of the US development and construction programmes.

Resolution Class Submarine returning from patrol, to Clyde Submarine Base Faslane.

Some indication of the effects on the UK timetable can be found in the comments of the Defence Select Committee which in 1985 investigated the progress of the Trident programme in the UK.

> *'One of the difficulties we have had in assessing the impact of the programme on the defence budget has been the lack of clarity on the part of the MoD over its duration. There was no such difficulty with the original C4 programme. This was clearly described as a 15 year programme lasting from 1985 to 1995.....When the then Secretary for Defence announced the new D5 programme in March 1982 he spoke of "the next 18 years".....thus imlpying that the new programme would not be completed until the end of the century.'*
> *(Sixth Report of the Defence Committee pxvii. Session 1984/85)*

The Committee did record the fact that the Trident I programme was to extend over a 15 year period from 1980 and that in 1984 the Minister of State for the Armed Forces had said that for Trident II procurement would be

'extended over 18 years.' (Hansard Col 1128 29 nov 1984)

The original timetable for the Trident I C4 programme appears to have intended the first Trident armed submarine entering service and replacing a Polaris boat in the early 1990s. The extension of the programme for Trident II D5 placed this timetable in some doubt. The matter of the duration of the UK Trident II timetable appears to be of some sensitivity to the MoD and the Government.

In January 1985 the Minister of State for Defence Procurement stated that Trident procurement would extend over a period of

'about 20 years' (Hansard 18 Jan 1985 Col 255)

The House of Lords were given a more detailed picture of what was happening when in February 1985 the Minister of State for the Armed Forces announced that,

> *'The procurement period for Trident II has remained unaltered at about 18 years since the Government's decision to purchase Trident II was made in March 1982'* *(House of Lords Official Report Col 1056 5 Feb 1985)*

In spite of these various attempts by Government ministers to 'clarify' matters, there still remains considerable uncertainty over the actual length of the Trident II programme. It appears to depend on the definition of the starting point. For example, the House of Lords were told that the procurement for Trident II ran from the year of the decision to purchase the more advanced missile in 1982 and that this would extend for 18 years. Based on these figures the procurement for the programme would come to an end in 2000. If this is in fact correct and IF the programme runs on schedule and without problems then the UK should have 4 operational submarines armed with Trident II missiles by about 2000.

The Defence Commitee in their report appeared to be having some difficulty getting clarification of this point. They stated that the Trident I programme presented no such problems since it was to have begun in 1980, lasted for 15 years and ended in 1995. If this was in fact the case then it seems that the shift from Trident I to Trident II has resulted in the UK having to wait an additional five years for the total replacement of its 4 Polaris boats with 4 Trident ones.

If we consider the stage each missile had reached in its development by 1982 it becomes clear that there was no possibility that the UK could expect to get its Trident II missiles on the same timetable as Trident I. By 1982 Trident I had almost completed development and 5 years later it has been fairly widely fitted in 'Ohio' class submarines and retrofitted into some older submarines. In contrast in 1982 Trident II was started as an impoved development of Trident I. Five years later in 1987 Trident missiles are just starting their test firings.

Further complications unfortunately cloud the issue. The total UK Trident programme could be described as running from the date of first expenditure to the moment at which the fourth UK Trident submarine starts its sea trials. These trials can last for up to and some times beyond a year, depending on a whole range of variables, not least of which is the complexity of the on board systems.

Probably and of more immediate interest than the estimated date of the end of the Trident II procurement is the date at which the first Trident armed submarine enters service with the Royal Navy.

The Defence Committee in 1985 were very interested in trying to establish this fact. Their interest focused on the age of the present Polaris fleet and the risk which they felt it was under from detection by an enemy who had made technological advances. In the public sessions of the Committee's hearings they were told by the MoD that Polaris

> *'would remain effective until the mid 1990s when the Trident force will begin to be introduced'* *(The Trident Report 1985 pxxxi)*

The original plan for Trident I had been that the first submarine would be ready to replace the first Polaris submarine in 1992. The Vickers yard at Barrow, where the submarines are being built, told the Defence Committee that the last submarine would be ready to hand to the Navy in 1995. This now looks to be very optimistic.

The National Audit Office reported on the progress of the Trident programme in July 1987. Discussing the development of the Strategic Weapons Systems the report stated that Trident

> *'is due to be operational in the US in late 1989, some five years earlier than in the UK.'* *(NAO Report No 27 July 1987)*

Based on this statement the UK should have its first operational Trident II submarine in 1994 some two years after the Trident I system was scheduled to be operational. In the light of the responses which the Defence Committee got in 1985 it could be the case that the MoD are hoping for 1994 but expect that 1995 or even early 1996 may be more realistic.

One of the reasons for the doubt is the fact that the heart of the programme, the missile and its associated systems, is being developed and manufactured in the US and the MoD has pratically no control over this work.

Another reason concerns the nature of major defence programmes. After a number of public 'turkeys' such as the Torpedo programme and the ill fated Nimrod, the MoD is more aware than most of the problems associated with actually getting its programmes off the drawing board and operational.

The National Audit Office, in its 1987 report looked at some of the major componants of the UK Trident programme and tried to estimate how the work was progressing. Concerning the US development of the Strategic Weapons System they noted that

> *'the Strategic Systems Programme Office are reporting cost and timescale over-runs on some areas of the total weapons system.* *(NAO No 27 p 8)*

This might explain one of the reasons why the MoD are somwhat cautious in giving an exact date for the first UK Trident submarine entering service.

In spite of trying to be fairly reassuring and making no major critisims of the Trident programme in the conclusions of their report, closer reading revealed that the problems facing Trident were not all to be found in the US.

Nuclear Warhead Convoy passing through Garelochhead on its way to R.N.A.D. Coulport.

Concerning the construction work on the Clyde the report stated

> *'When the MoD's Equipment Policy Committee reviewed the overall staff requirements in 1986 they were told that the approval briefs and planning applications at the Clyde Submarine Base had placed a very heavy burden on resources in the MoD and the PSA (Property Services Agency), and a number of milestones had not been met until well after the due dates. Together with additional problems - asbestos contamination, political opposition from local authorities, nuclear safety requirements - this posed a significant threat to the availability of these facilities by the required dates.'* *(NAO No 27 p 17)*

Some idea of the scale of the project on the Clyde and the lengths to which the MoD are prepared to go to try and get it ready on time can be seen from the decision to build a 9 mile private road through Glen Fruin. Estimates of its cost range from £5·5 to £8 million.

In relation to other aspects of the Trident programme the National Audit Office were less critical than they were over the construction work. We think the NAO were optimistic.

The Submarine Command System which uses computing to assist in manoevering and weapons development had its definition development phase compressed by 6 months and then the MoD decided that the bids that had been tendered for the work were too high.

The contract which was awarded to Gresham CAP Ltd in late 1985 had a reduced specification which was intended to allow the project to meet the wider Trident timescale. The MoD had intended that the first submarine would be fitted with the system and then specifications could be put out to competitive tender for the following three. The NAO reported that competitive tendering would only be an option for the last submarine.

Problems concerning similar systems have been encountered before. Most recently the latest Type 23 frigate entered service without a Command and Control System and as a result could not be used in the Gulf or in any other area where it might be expexted to encounter hostilities.

The Type 2054 Sonar system was intended to have been under development by 1987 and fitted to Trident and the latest hunter killer submarines. Problems between the MoD and the prime contractor over the contract were compounded by problems in development. The result was a three year development and production overlap which it is hoped might allow the programme to make up for lost time. In previous reports the NAO have been highly critical of defence programmes which concertina different phases of the work noting that frequently the result was failure to conduct adequate development and inability, as a result to meet the timescale required.

In the case of the sonar for Trident the NAO made no comment other than to claim that problems of setting a satisfactory contract for the sonar, demonstrate the new tough approach which the MoD is adopting to its contractors.

The NAO had little to say about the development of the warhead for Trident. The MoD and the Government have stated on numerous occasions that the warhead will be designed and/or built at the Atomic Research Establishment at Aldermaston. It is estimated that at 1987 prices just over £1,000 million will be spent on new facilities at Aldermaston, about £650 million of this amount will be drawn from the Trident budget. The NAO expressed concern about serious staff shortages which had caused delays and in response the MoD upped salary scales and had a mini recruitment drive.

Concerning the actual progress of the work on the warhead the NAO made no comment.

Under the heading of 'Warhead Procurement' they do state

> *'The main expenditure areas are development, production and special materials. Most of the expenditure on development and production is incurred in the US'.*
>
> *(NAO reoprt no 27 p 10)*

This statement seems to beg the question - just how much of the work on the UK Trident warhead is actually being done in the UK? If we look back to the very considerable problems which the Chevaline update for Polaris experienced in terms of cost , achieving objectives and meeting its delivery date, it does seem surprising that the NAO seems to have devoted so little space to what is a crucial part of the UK programme.

In general terms the NAO did make critisims of parts of the UK Trident programme but in most cases they were very ready to accept assurances that the questions could be answered and the technical problems resolved. They concentrated far more space in their report on the various management and cost structures which had developed around the UK Trident programme.

Even if we limit ourselves to the specific problems which the NAO listed and do not speculate on the proportional difficulties which will develop as a consequence, it is clear that the UK Trident programme is already behind schedule, failing to meet cardinal points of specifiction and most probably running over budget. These comments apply only to the UK part of the programme the existance of problems in the US were given almost no detailed consideration by the NAO.

In a reassuring tone the NAO advised that

> *'the framework of financial control and project management described in my earlier report is generally operating efficiently'.*
>
> *(NAO No 27 p 1)*

When we try to assess whether this statement is based on some critical appraisal of the performance of defence procurement over the last 20 years and some of the comments made by the NAO itself concerning defence contracting, it does seem to be verging on careless optimism.

On both sides of the Atlantic attempts to provide the armed services with effective weapons at a price and on time have in fact resulted in over complex specifications, cost over-runs and in some instances cancellation.

Governments clearly wish to get value for money and good weapons. The Armed Services want what they hope they can convince the politicians to provide, and defence contractors are in the business to make money. Given the various interests and objectives which these three represent it is not surprising that when something goes wrong, there is, a general desire to keep quiet about the problems. Some times the problems are so considerable, as in the case of Nimrod or the Torpedo programme that the public become aware of them. In the case of Nimrod cancellation was decided upon. For other less publically vilified projects, it is not unknown for the armed services to get a weapon which simply does not do what it was sold to do.

This has happened during a period when both the US and the UK Government's have been trying to increase value for money, competition and quality. However in the case of the UK Trident programme there was no competition for the construction of the four new submarines and their reactors and it now appears that slippage in other parts of the timetable will prevent competition in an effort to make up lost time. It seems reasonable to ask whether the present budget figures for the programme were based on assumptions of the savings which might accrue from competition. The NAO appear not to have questioned the MoD about the impact which the loss of competition will have on the overall budget.

Apart from the various parliamentary reports, much of the detailed scrutiny of the Trident programme has focused on the costs. At the outset in 1980 the Government provided a figure of around £5000 million for the Trident I system. A sceptic might ask how they arrived at that figure. It appears that they might have taken the cost of Polaris and added it to the estimated total cost for Chevaline, and then converted these figures into 1980 prices

There is good evidence for questioning the figure provided by the MoD especially when we remember the way in which the entire Chevaline programme was hidden from the public and Parliament. Unfortunately, the way in which the defence estimates are produced each year make it very easy for the MoD to be vague and possibly, very misleading about what is being spent and on what.

Based on the very limited evidence which the public have access to, it seems as if all is not well with the UK Trident programme. Some of the problems have occured at the very earliest stages of componant development and some have arisen due to the difficulties of setting a contract. within the defence programmes, evidence suggests that little problems begat bigger ones and the progeny are prolific and troublesome.

Trident has been criticised for being the wrong weapon for the UK. It has been criticised for being a massive increase in the UK's nuclear force at the very moment when agreements on arms reduction have been signed.

The AESG is subjectively opposed to Trident because we consider it to be a massive drain on scarce resources and a retrograde step at a time when people have expressed a widespread and tangible desire for a reduction in the number of nuclear weapons.

Objectively, we are opposed to the Trident programme because it serves as a prime example of the way in which the Government and the MoD manage major defence projects. Instead of attempting to encourage an informed debate and, ideally, reasonable scrutiny of its plans and costings, the MoD appear to believe that the public and possibly even Parliament, should only know a very limited amount of detail about how we are defended and how much the componant parts of the defence cost.

PART 2
TRIDENT AND EMPLOYMENT

The first report produced by the AESG argued that the Government had over-estimated the number of jobs which the Trident programme would sustain. We also highlighted the long term effects of Trident on the jobs at the Clyde Submarine Base. We estimated that the number of full-time jobs at Coulport would be cut as a result of the decision to have the UK Trident missiles serviced in the US.

Three years after our first report we believe that our claims have been substantiated

In 1980, estimates of the number of jobs which would be generated by the UK Trident programme ranged from 25,000 to 35,000 direct and a further estimated 20,000 indirect jobs. These claims were supported, in part, by estimates which showed that 70% of the £5215 million UK Trident budget would be spent in the UK and only 30% spent in the US.

The general impression which was given by the Government was that although the UK was buying a US designed missile system, the major part of the expenditure on it, and by implication this meant employment and contracts, would be in the UK. An added bonus was dangled before those who were doubtful. The Government suggested that they had been successful in winning concessions from the US which would allow UK industry to compete in the US for contracts in the Trident development and manufacturing programme.

Every argument which could be used to make opposition to Trident appear unreasonable was brought to the fore. New jobs for UK industry, new contracts in the UK and in the lucrative US defence market and for good measure the Government argued that Trident was the only solution which would safeguard the jobs of the workforces servicing Polaris on the Clyde and at the Rosyth Naval Base.

R.N.A.D. Coulport.

The decision to opt for Trident 11 in 1982 brought with it a shift in the proportion of expenditure in the US. Instead of 30% the UK would now spend 44% of its budget for Trident in the US.

By 1985 the figure had changed again, In its examination of the Trident Programme, the Defence Committee found that 45% of the UK Trident programme expenditure would be in the US. By 1985 the new estimate of the cost of the programme had risen to £9285 million at 1984-85 prices.

Concerning the number of jobs which the Trident programme would sustain, the Defence Committee were more concerned in their conclusions than the Government estimates which had heralded the decision to purchase Trident in 1980.

> *'One of the Consequences of the high dollar spend involved in Trident as well as its high technology factor is that it will be reponsible for proportionately fewer jobs than many other defence equipment projects.'*
> *(Sixth report Defence Committee July 1985 p xvi.)*

Rather than simply stating the number of jobs which the Trident programme would generate on an annual basis, the Government began to give the figures for the 'peak years' of construction, In 1985 the Defence Committee in its report stated that in the peak years of construction the UK Trident programme would sustain 17,000 direct jobs and 15,000 indirect jobs in the UK. Over the entire life of the programme (taken to be 20 years) the Committee estimated that on average the programme would provide 9,000 direct and 7,000 indirect jobs every year, It goes without saying that these figures represent a considerable decline compared with the original optimistic estimates made by the Government in 1980.

The committee also recorded some disappointment in the hope which the Government had expressed that UK companies would have some success in winning contracts for parts of the US Trident programme. By 1985 only $37 million worth of US contracts had been awarded to UK companies although as the Defence Committee noted the sum was technically less as some of the contracts had gone to UK subsidiaries of the US parent companies.

It seems reasonable to question whether the MoD, the Government and whoever negotiated the 1982 agreement with the US actually believed the UK companies would have any success in winning sizeable contracts for the US Trident programme. The US defence market is notoriously protective and the very large size of the annual US defence budget has the effect of sustaining extensive levels of defence manufacturing capacity in every sector of defence equipment. While these factors have in the past acted to restrain European manufacturers having much success in the US defence market the real difficulty for UK companies wishing to get US Trident contracts was that by 1982, when the UK decided to purchase Trident II rather than Trident I, most of the major US programme contracts for development had already been awarded to US companies. All that was left were opportunities to bid for small scale sub-contract work. In reality, UK defence contractors lacked the necessary experience to bid for any of the major Trident II development projects. A combination of these factors helps to explain why less than ¼ of the UK companies eligable to tender for US work actually did so. UK companies are presently finding that the Strategic Defence Initiative programme is not producing the hoped for contracts which the Government claimed would develop as a result of their support for the project.

In July 1987, the National Audit Office reported that by December 1986 UK companies had been awarded 236 contracts valued at $62million from the US Trident programme. The MoD were hopeful that more contracts wouuld materialise but the NAO

> *'were disappointed .....given the size of the programme.'*
> *(NAO Report No27 p 12)*

As we have seen, the UK decision to purchase Trident II rather than Trident I had the effect of altering the proportion of the UK budget which would be spent in the US. This decision also reduced the level of UK employment which the Government estimated would result from the programme. Even if we allow for the effect which this decision had on employment it does seem as if the original 1980 estimates of the number of jobs which the Trident programme would create in the UK were fairly wide of the actual number. This may reflect the extent to which the Government was very keen to sell the entire Trident programme to the public however it is unfortunate that political decision making has increasingly come to be supported by 'quasi official' facts or statements such as the estimates of the initial number of jobs which Trident would sustain in the UK.

Although this position had in part been resolved by 1982 it still remained true that official estimates on employment and other componants of the UK Trident programme placed a heavy emphasis on the UK factor of the work in spite of the very heavy dependency which the entire programme had on the US.

Of specific interest to the AESG has been the effect of the Trident expansion at the Clyde Bases of Faslane and Coulport. In our first report we traced the development of the Submarine Base (HMS Neptune) at Faslane and the Royal Naval Armament Depot at Coulport from 1962, when the decision to site Polaris on the Clyde was taken, to 1985 by which time the work for Trident had already begun.

The National Audit Office estimated that the total cost of Trident related construction work excluding payments to the Property Services Agency would be £945 million. This included work on the Clyde, at Rosyth Dockyard at Aldermaston and a number of othe smaller sites. The MoD have decided that although certain projects will be essential for the Trident programme they will also have use for wider defence purposes. The effect of this decision has been to remove certain costs from the Trident budget and attribute them to other parts of the defence costings. This useful device has had the effect of making Trident appear less expensive than it actually is. Some of the parts of the Trident programme which have been dealt with in this manner are the Pressurised Water Reactor, parts of the construction work at Aldermaston, the Clyde Bases, Rosyth and Burghfield, the sonar suite and parts of the US development costs which have been paid for by using UK manned Rapier missile systems to guard US bases in Britain. The cost of the Rapier patrols at the US bases has not been included in the Trident programme although it is being paid for by the MoD.

The over-all effect of removing large parts of the Trident related costs from the Trident budget naturally, is to make Trident seem far less expensive than it actually will be.

The construction work which the MoD have stated will be needed for Trident will be at Faslane, Coulport Aldermaston, Rosyth, Burghfield and a number of other smaller sites in England. In each case the MoD have argued that large parts of the work would have been required regardless of the needs of the Trident programme. For each site the MoD have estimated the proportion of the work which is attributable to the Trident budget and remainder goes into the wider defence headings. The problem with this method of costing is that only the MoD know what is essential to Trident and it would be fairly easy for them to juggle their figures under a number of budget headings to lose part of the Trident costs, and thereby reduce the price of the Trident programme. One reason for doing this is the oft repeated argument that nuclear weapons are comparitively cheap on the 'bang for buck' method of measuring defence costs. The scope for hiding costs, and even existance, of entire defence programmes was revealed when existance of the Chevaline project was brought to light by the Conservative Government. Remarkably, work on Chevaline was still being carried out in early 1988. Without doubt the present method of reporting the defence budget gives the MoD considerable latitude to move costs from one part of the budget to another or simply lose them altogether if it is felt that public scrutiny may cause embarassment.

The fact that just under one third of the total cost of the UK Trident programme falls under the heading 'Warhead, miscellaneous and unallocated contingency' may be some indication of the MoD's desire to obscure the cost of developing a warhead, but it also demonstrates just how little detail the public are permitted to see of the detailed costings.

If we consider the development of Faslane and Coulport in a little more detail it may become clear just how difficult it has become to carry out a legitimate scrutiny of the MoD' costings.

During their investigation of the Trident Programme in 1985, the Defence Committee were told by the MoD;

> *'As we explained to the Committee, the Trident works programme forms part of a wide programme for the modernisation of the Clyde Submarine Base at Faslane and the Naval Dockyard at Rosyth. Thus while the full cost of the work at RNAD Coulport is attributed to Trident, in the case of Faslane and Rosyth the Trident Project estimate bears only that part of the redevelopment cost which arises from the need to meet specific Trident requirements.'*
>
> *(Sixth report of Defence Committee 1985 p 54)*

In the evidence the Committee received from the MoD, details of the construction costs were provided, unfortunately this information was felt by the MoD to be of such a sensitive nature that it was given in private session to the members of the Defence Committee and not recorded in the subsequent report.

In January 1988 the MoD stated-

> *The total cost, excluding contingencies, and PSA resource costs, of development at the Clyde Submarine Base,which includes Faslane and Coulport, is estimated at some £660 million; of this, some £580 million is expected to be spent between 1st April 1987 and 31st March 1995'.* *(Hansard 11 January 1988)*

In September 1987 the New Civil Engineer magazine produced a supplement on defence construction in which they noted;

> *'The PSA's view is that because the full extent of infrastructure needed for Trident has only gradually become apparent, continued re-appraisal of costs and management systems has been required.'*

In short it appears that the property Services Agency has apparantely had some trouble in getting the MoD to tell them exactly what construction work will be required for the new Trident system.

The initial phase of the construction work has involved the building of new access roads for Faslane and Coulport. These have included a by pass around Garelochead, a new access road to Coulport and new roads within Coulport and the contraversial private haul road through remote Glen Fruin. The scale of the work has been considerable.

At Faslane, work has begun on upgrading the submarine berths and the decontamination of the massive asbestos dump left by the ship breaking yard which previously occupied part of the site appears to be underway. New security fences and cameras have been included in the improvement of facilities. At Coulport work has begun on the explosives area involving cutting magazines into the hill-side, and on a new power station which will supply the site with the additional electricity it will require in the future.

Apart from the work involving the infrastructure, contracts for the main facilities are being awarded. Design work has been started for the 200 metre long floating explosives handling jetty at Coulport. The jetty will be equivelant in height to a 14 storey building and while it has been

Resolution Class Submarine, Firth of Clyde.

recognised that fabrication of any structure on this scale poses problems, the special requirements of explosives handling and dealing with nuclear materials, will add further complexities to the specifications and construction.

One factor which has already been considered is the problem of movement between the jetty and any submarine tied up to it. The designers claim to have allowed for a working wind load of 20 knots with gusts up to 30 knots. Interestingly, the Property Services Agency said of the weather patterns at Coulport.

> *'Severe weather conditions are often experienced on the west facing slopes and on the ridge of the Peninsula!* *(EIA 1984 PSA p7)*

It will be interesting to see what effect these weather patterns will have on the operation of the two cranes which will be required to work on the 155 metre long, 60 metre wide and 40 metre high jetty which will be located on the west side of the Rosneath Peninisula.

In general the construction activity, mainly involving the infrastructure, has rapidly accelerated since our report in 1985. The most obvious outward signs are the new raods and the aggressive security fences and more discreet cameras. At Coulport a large number of signs appeared stating that the land included by the perimeter which they mark has been taken over by the MoD, and is now subject to by-laws which prevent access.

During the process of erecting the new fence at Faslane the MoD extended their perimeter by some feet outwards onto the main road which runs beside the fence. The MoD appear not to have considered whether they had the right to do this and certainly Strathclyde Regional Council felt that the road was under their jurisdiction and that the MoD at least ought to have let them know what was happening. The Region and Dumbarton District Council in 1988 won an appeal against an earlier interdict but the security fence is now in place.

Accompanying the outwardly visible signs of work at Faslane and Coulport has been the marked growth in the volume of heavy construction traffic using the existing road. Understandably the residents living beside the roads being used by the construction traffic have become increasingly

concerned that a serious accident might occur. Without doubt the roads are already in a poor condition, in fact this is one of the reasons which the MoD gave for deciding to build their own private road through Glen Fruin. It remains to be seen if the decision to route the 1200 or so heavy vehicle movements a day which the MoD estimate, via Loch Lomond will prove to be a more satisfactory solution.

Apart from the outward signs of construction such as heavy traffic, the very considerable visual effect of the new roads and the fences, the rest of the work will be taking place behind security fences. In July 1987 Cementation won the contract for the £120 million shiplift and finger jetty at Faslane. The contract for the massive explosives handling jetty at Coulport will be the largest one for which most of the fabrication will be done off site. Both of these contracts represent considerable technical difficulties and both will have a radical visual impact on the environment. The MoD have recognised the effect which the structures will have and even admitted their incongruity.

> *'Some tourists may be dettered by the prominent visual impact of some of the proposed structures, though equally there is the possibility that an enlarged Clyde Submarine Base and submarine activity may attract sight seers to the area'* *(EIA p35)*

This interesting observation unfortunately does not allow for three factors. Firstly, ten years or more of dust, noise and heavy traffic all of which are a feature of the impact of the work at the bases. Secondly, the majority of tourists are attracted to Scotland by the kind of scenery which the MoD are presently destroying and finally, past experience suggests that sightseers displaying an undue interest in activities at either Faslane or Coulport have been asked to move on by one or more of the many military police who patrol throughout the area.

The last item to be considered in this section of the report concerns the effect which the Trident and non Trident expansion of the Clyde Bases has had on employment in the surrounding area.

We have encountered some difficulty in measuring and verifying the employment impact because the issue has increasingly become part of a heated political debate. For example during the 1983 and 1987 elections, the Government argued that any Opposition proposals to cancel Trident would result in thousands of lost jobs throughout the UK, and on the Clyde in particular. In our report in 1985 we attempted to evaluate the various arguments and tried to measure them against the evidence which was available. One of our main conclusions was that while the Trident programme was a source of considerable exenditure on the Clyde and as a consequence, of various forms of short term employment, it was not liable to prove to be a source of new long term employment.

In short, we argued that the Trident system was not a straight duplication of Polaris. Its patrol durations were longer, its refit schedules less frequent and the missiles would be serviced in the US. Our conclusion was that the MoD would need considerabley fewer civilians at Coulport to service Trident.

On page 29 of our report we stated

> *'In spite of assurances which the MoD has given to the civilian workforce, considerable doubts still remain over job security. This concern has been increasing due to the Government's industrial policies, growing unemployment and the Trident proposals relating to US servicing'* *(AESG Report 1985)*

The switch from Trident I to Trident II in 1982 led to the revising of parts of the UK budget for the programme. A payment was made to the US of $70 million as a one off capital contribution to the development of the Kings Bay Submarine Base on the eastern seaboard of the US. The reason for this payment was that with the Trident II system the UK had decided, or been forced by the newer technology, to have the UK Trident missile stockpile refurbished in the US rather than at Coulport.

At the time the decision was made, the main interest focused on the savings which resulted to the UK Trident budget as a result of having to have fewer facilities at Coulport.

In 1984, the Property Services Agency produced the Environmental Impact Assessment for the Trident programme (the first of its kind in the UK) to try and measure the effect which the contruction would have on the environment, economy and employment of the Lower Clyde. The subject of employment was discussed at reasonable length.

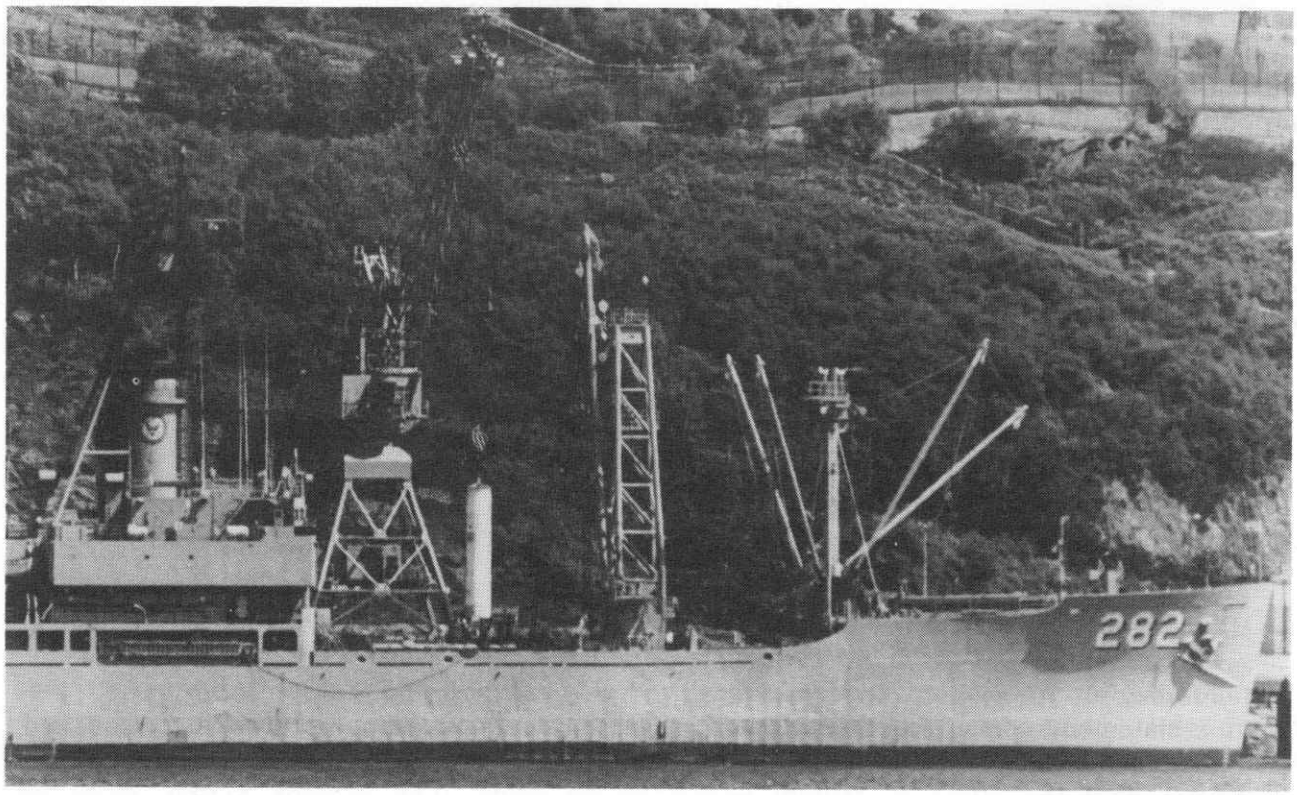
The PSA stated

> *'Over the next 20 years the composition of Service Personnel by rank and function is not expected to change. Once Polaris has been phased out, uniformed support for the successor system and the number of Base Personnel should increase by 15% over the present establishment. The functional composition of the civilian labour force is expected to remain broadly the same as at present'.* *(EIA p107)*

The PSA gave a number of employment estimates for the duration of the programme. In 1983 Faslane and Coulport employed 3,300 service personnel and 3,450 civilian personnel. By 1994 the PSA estimated that service employment had risen to 4,100 and civilian employment to 3,950. However, by 2002, when Trident should be fully operational, the figures had declined to 3,800 service and 3,450 civilian personnel. In effect the PSA and the MoD estimated that the long term employment of the Trident programme on the Clyde Bases would be to increase service employment by 500 but have no increase on civilian numbers once Trident was operational.

The EIA of 1984 basically repeats the assurances which were given in 1982 by the Commodore Clyde in a letter which was sent to every civilian employee at Coulport after the decision to have Trident missiles serviced in the US.

> *'We have been looking some way ahead in considering what changes there will be in employment as a result of this decision. What we can say is that the short and mid term effects of this decision are nil'.*



American ship 'Marshfield' delivering Polaris Missiles to R.N.A.D. Coulport.

The issue might now be considered in relation to the way in which short and mid term are applied to the present Trident programme tiemscale. The EIA stated in 1984 that short and mid term employment would increase but implied that once Trident was operational (the long term?) the level of of service personnel employment would rise by 500 but civilian employment would return to 3,450, the same lavel as it had been for the early 1980s.

The AESG felt, and wrote in our 1985 report, that these employment claims did not match the known evidence of the new operational pattern of the Trident submarines and their missiles.

During the 1987 General Election a fierce debate over employment at the Clyde Bases was conducted in interviews and newspaper advertisements.

The Conservatives argued, as they had done in 1983 that the election of the Labour Party and the implementation of its non nuclear defence policy would cause thousands of job losses. They argued that the Trident construction programme would provide 2,500 jobs on the Clyde and that these would go, along with work at Rosyth, if Labour were to be elected

The original estimate of jobs which would be generated by the construction work at Faslane and Coulport was 1,550, however the Property Service Agency noted

> *'Since there are uncertainties in predicting future labour requirements it is worthwhile to examine a range of figures. For example if Faslane and Coulport peaks were to coincide, the revised peak annual expenditure could generate 2250 which would represent a potential 40% increase. As estimations of labour force numbers are often difficult to predict, a 100% increase over projected requirements is also noted for comparison.'* *(EIA p 117)*

Not surprisingly in the knockabout atmosphere of a General Election, figures tend to be wielded with rather less concern for accuracy and rather more for polemic impact. 1988 was to be the peak year of construction at Faslane and Coulport and the only source for estimating how many new jobs have been generated, and how many have actually taken people off the unemployment register, are the Property Services Agency and the MoD.

During the 1987 General Election the Labour Party and the Scottish Nationalists, both of whom supported a non nuclear policy, claimed that Trident would cost jobs in the wider economy by draining scarce resources, that the programme was capital rather then labour intensive and the Labour Party added the claim that Trident would threaten existing jobs at Coulport.

In December 1987 John McFall the MP for Dumbarton asked the Ministry of Defence what effect the decision to have Trident serviced in the US would have on civilian employment at Coulport. The MoD replied

> *'There will be opportunities for employment on Trident facilities at RNAD Coulport as they progressively come on line in the early 1990s. However, this task will be less than current Polaris activity and the staffing requirements will therfore be correspondingly lower.*
>
> *Manpower levels for Trident and other future tasks at RNAD Coulport are presently under consideration but a high priority is already being given to establishing what alternative employment may be possible to replace that currently offered by Polaris'* *(Hansard 8 Dec 1987)*

Previous statements concerning the future of civilian employment at Coulport have been couched in language which was cautious, there was no doubt that the MoD were at some pains to give the impression that the effect of Trident would be no worse than present civilian levels of unemployment and better for service personnel. The unfortunate reality for the workforce involved

is that the MoD have now admitted there will be fewer jobs and that they are considering trying to find work, ironically for us, alternative work, for those people who will lose their jobs as a result of Trident.

Ten days after the MoD anwered John McFall's question in the Commons a local newspaper ran the headline

'Jobs Blow at RNAD Coulport'

The paper quoted a spokesman from the MoD who told them that Coulport had

> *'an excessive capacity of personnel although it is not yet known the numbers involved.... the management is giving high priority to going out to sell the services and facilities to interested parties involved in defence work of a similar nature'.*
>
> *(Helensburgh Advertiser 18 Dec. 1987)*

We were initially surprised that the MoD had at last admitted in the House of Commons the effect which Trident would have on the civilain employment at Coulport.The statement marked a contrast in the general assurances which had been given to the workforce previously but unfortunately at the time of writing, few significant details such as the number of jobs affected, have come to light. It will also be revealing to discover exactly what kind of 'interested party' would choose, or be permitted by the MoD, to take up the option of making use of 'facilities' in the middle of the high security base used by the UK's nuclear armed submarine fleet?

The Alternative Employment Study Group finds no consolation in the belated admission made by the MoD that its exenditure of around £700 million on Faslane and Coulport will have the net effect of decreasing employment prospects for the residents of the area

Matters have been made worse by the manner which the Government, through its Departments, decided to deal with employment during the early phases of the construction programme. From the outset it was stated by the PSA that Dumbarton District would be unable to provide many of the materials for the works programme. Given the scale of the work, this is perfectly reasonable, however what appears to be more questionable is the failure of the MoD, the PSA or the Scottish Secretary of State to recognise the case for attempting to direct as many of the short term construction jobs and associated work to the area which was having to undergo the worst effects of the construction work, blasting, pile driving and heavy traffic.

As we have seen, the PSA estimated in 1984 that 1,550 construction jobs would be generated at peak years by the base expansion programme, of these jobs only 390 were estimated to be filled by resident of Dumbarton District.

In a calculation, which the PSA admitted was somewhat dubious, it was estimated that 45% of the construction workforce would be recruited from within Strathcylde Region, 25% from Dumbarton District and 30% from outwith Strathclyde. At the time the PSA made this estimate it appears that they had no reasonable way of recognising which companies would tender and win contracts and from where they might recruit their workforces.

The Scottish Secretary of State has maintained that criteria for awarding contracts at Faslane and Coulport must rest purely on commercial factors. He appears to feel that he is in no position to impose factors such as where contracts might be awarded with a view to increasing the benefits of spin-off employment. We recognise the case for urging competition in awarding defence contracts, there are many instances where the Government cannot achieve competition, for example the Trident programme offers a number of examples, not least the monopoly which Vickers has for the construction of nuclear submarines. We must admit to being disappointed, that the Secretary of State for Scotland has not tried to use the expantion of facilities at the Clyde Bases as a way to try and inject new short term construction jobs into areas of high long term unemployment.

Glenfruin, before the private military haul road was built.

The table below gives some indication of the levels of unemployment in 1984, and 1987. The MoD stated that 1988 was to be the period of peak employment at Faslane and Coulport. The figurs are unfortunately, not directly comparable due to a number of changes being introduced by the Department of Employment to the way in which the statistics are calculated. The introduction of the Restart Scheme has also had the effect of artificially reducing the appearance of the figures.

	1984	**1987**
Dumbarton	17.1	15.8
Alexandria	19.9	17.6
Helensburgh	10.2	11.4
Port Glasgow	19.7	18.8
Greenock	18.8	19.5
Clydebank	16.5	17.2
Glasgow (city)	21.2	19.9
Strathclyde Region	17.4	17.6
Scotland	14.9	14.8
Britain	12.8	11.3

(Sources Strathclyde Economic Trends No6 October 1984 and No 17 November 1987)

It is unfortunate that unemployment has risen in some of the areas closest to the Clyde Bases, most notably Helensburgh and Greenock.

At the end of 1987, £80 million worth of preliminary contracts at the Clyde Bases had been awarded. Between 1988 and 1995 it is estimated that a further £580 million out of a total of £660 million, will have been spent. Of this total it has been stated by the MoD that £350 million has been attributed to the Trident budget

In 1985, the AESG argued that there was strong evidence which demonstrated that defence spending resulted in a comparatively low rate of job generation compared to other forms of spending. In relation to the Clyde area we were unable to make an estimate of the cost per job of the present military facilities because the MoD could not identify how much they had spent on Faslane and Coulport between 1962 and 1987. The fact , unfortunately demonstrates, the problems which the MoD have in keeping track of its own expenditure on a year to year basis, and why anyone interested in trying to find out how much parts of the defence programme actually cost, finds a series of deficiencies in the figures. One point which we can reasonably be certain of is that the MoD will finish up spending more on the facilities at Faslane and Coulport between 1988 and 1995 than they have publically stated. The National Audit Office expressed concern about the detail of the technical problems yet to be solved. Our concern is that in the past the MoD have failed to keep records of how much it has cost to develop the facilities on the Clyde and there are very strong reasons why they should wish to make sure that any difficulties they encounter in the future, are not publically exposed. The reason may lie in the often repeated view that nuclear weapons are comparitively cheap to operate and any escalation in the cost of the Trident programme, might result in a public reappraisal of the relationship between the costs of conventional versus nuclear weapons.

The figures the MoD have given for the costs of work at Faslane and Coulport average out at about £87 million pounds per annum between 1988 and 1995. Even if the costs were not to rise this is a very considerable amount of annual expenditure. Additionally the MoD have spent about £80 million between the early 1980s and 1987 on preparation of the sites and infrastructure.

When we contrast the amounts which the MoD have alreadyt spent on the Bases with the very small variations in local employment trends between 1984 and 1987, we believe that the evidence substantiates the argument that defence spending is a very inefficient provider of employment. Using figures provided by the MoD and the PSA it appears that spending about £680 million over a period of nine years will have the employment effect of creating a maximum of 2,500 temporary construction jobs and cutting the number of full time jobs for local residents once Trident has become operational. We cannot estimate how many long term jobs will be lost because the MoD either do not know or have decided not to reveal the figure. Even the number of short term construction jobs are liable to considerable variance. The PSA admitted that a maximum would be just under 2,500 but the more likely figure would be about 1,000 less, however all of these figures were very broad estimates based on a general lack of information.

In contrast to the MoD's depressing lack of information and the over-all prospect of fewer jobs at Coulport, it is interesting to consider some figures provided by the Scottish Development Agency.

The SDA noted that in 1985-86 total investment to Scotland was £561 million, some £120 million less than the MoD are spending on the Clyde Bases. The employment effect this investment provided thoughout Scotland was estimated by the SDA to have created 4,663 new jobs and safeguarded 3,554 existing jobs. (SDA Annual Report 1986 p 84.)

Quite clearly different kinds of investment provide different munbers of jobs, however the evidence of the effects of defence spending on the Clyde bases of Faslane and Coulport, points towards a very low rate of job generation and an all-over long term fall in the number of jobs.

In spite of Government assurances in the early 1980's, one result of the decision to replace Polaris with Trident has been to reduce employment in civilian defence jobs in an area of high unemployment.

PART 3
DEFENCE SPENDING AND ITS IMPACT ON THE LOWER CLYDE

This section of the report tries to combine a reasonably technical consideration of the difficulties in measuring the economic effects which a military base has on the region around it, with some more general observations about the nature of defence spending.

Usually the debate which develops about the nature of defence spending concentrates on whether too much or too little is being spent and on what. Only rarely, particularly in Britain, is there any real interest in trying to measure the economic effect of what is actually being spent.

It is easy to see why the issues have developed in the way they have. For example it is interesting to observe the way in which defence spending has become one of the tools of cold war strategists. It has been common to hear it argued, that by using its greater wealth, the US could win an economic war of attrition with the USSR by accelarating the rate of its expenditure on weapons and forcing the Russians to do the same.

There seems to be very little effort on the part of the Russian leaders to hide the effects which defence spending has on their economy, and they have recently increased the possibility of making cuts with a series of proposals which could bring real reduction in nuclear weapons and possibly even bring about a long overdue cut in conventional forces.

Of course it is very important to remeber that in spite of the comparative differences in wealth and econimic structure which exists between east and west, the US and the USSR, the effects of defence spending are remarkably similar.

Ronald Reagan has presided over the biggest build up of peace time defence spending in history and critics of his policies point towards the economic crises of Black Monday, the falling dollar value and the balance of trade deficit which have marked his last two years in office, as being strong evidence that the US economy cannot sustain annual defence budgets of $300 billion plus.

Their argument is that the US can only sustain high levels of defence spending at the expense of other parts of the economy. Neither side can afford this kind of wasteful economic attrition, but the problemn is trying to separate whether the spending race supports or fuels the arms race. It is an earnest hope that both sides will come to rapidly recognise the damaging futility of the process.

In the post war period many politicians have come to recognise the damage which high levels of defence spending can have on the economy, few have done very much about reducing it. The problem is that defence is widely considered to be the pre-eminant function of government, and all else is subsumed before it. Things become particularly difficult when decisions have to be made about where savings could be made to release funds within the budget; when it is suggested that any cuts should be made to release cash for other departmental budgets or for the wider economy, the heavy guns are hauled out.

If we give what appears to be a flippant example but one which is expensively real, the difficulties become clearer. In Britain, each branch of the armed services has its own school of music. Its not clear whether the Navy plays its instruments any differently from the Army or the RAF but any suggestion that a couple of million pounds could be saved by having a single school of music for all three of the Services results in the appearance of a powerful lobby calling on tradition, the War of Jenkins Ear or some similar incident and for good measure adopting Churchillian overtones to fend off the vampires of cost cutting.

Surprisingly, although nobody likes the idea of actually fighting a war, a great many people seem to be in favour of preparing for one. Governments which pander to the easy option tend to be uncritical of the defence establishment and its many expensive anomolies, even if they recognise that their abolition could release more funds for more effective defence.

In general, the Alternative Employment Study Group supports the view that Governments spend far too much on defence and not enough on other parts of the economy, which are just as vital in sustaining, not only a way of life, but also a quality of life. The case for this argument has been widely illustrated although less widely acted upon. For example the way in which the debate about new technology has been presented by successive Governments has resulted in the new technology being one of the reasons why the National Health Service budget is always overstretched. New technology is an additional cost not a solution to medical problems. In defence the adoption of new technology is portrayed as one of a very few reasons why the nation can sleep safe in its bed each night. We have all heard about the power of the defence industry lobby and at times seen it arguing the case for the Government of the day buying its new technology, but where is the health industry lobby and why do we not hear about its attempts to get Government to adopt its new technology?

The debate about how best to allocate national resources is expansive and long running and our contibution to it, is like that of most people, an opinion, however when it comes to the way in which the defence budget is actually spent, we feel that undue secrecy, departmental inertia and the perpetuation of a London centred bureacracy, has proven to be wasteful of scarce resources. When we consider defence programmes such as the 20 year saga to develop new torpedoes this judgement may well be considered to be charitable. Like many large organisations the MoD is frequently unable to provide detailed explanations of its expenditure, for example, it could not give details or even totals for its expenditure on the Clyde Bases between 1962 and 1985.

However we have an even more specific criticism. Within Britain, decisions on national defence needs are taken with practically no consideration of local concerns or needs. It seems at times that the map of Britain which the MoD uses is very different from the ones used by the wider population. Our maps are filled with cities, towns and villages; places where people live and areas of great scenic contrast. The MoD uses a map which highlights strategic strengths and weaknesses: remote areas are for troop training or low flying, remote sea lochs are places to test sonar or torpedoes.

When the MoD decides that the best site for locating one of their facilities is on your doorstep, they do so because it suits their needs not yours. In 1962 the decision to site Polaris at Faslane and to service it at Coulport was first announced to the House of Commons, the people living in the area found out later.

We recognise that the generality of these comments does not give the MoD or the Armed Services due recognition for their ability to be skilled and persuasive diplomats. The MoD does after all have the largest public relations operation in Whitehall. While this helps the MoD to turn on the charm it also helps to deal with the fact that the MoD like any large bureaucracy, can be blundering and insensitive

The MoD benefits not only from its bureaucratic thick skin and its spending power, but it can argue that armed, in every sense, with the role of defending the nation it needs to have the power to override more mundane issues such as planning consent, or public accountabilty

This is not to say that the MoD cannot try very hard to appeal to parts of the community and work at presenting a generally pleasing public profile. For example, recognising that the very heavy volume of traffic associated with the work at Coulport would cause concern from the Cardross and Helenburgh areas, they built a new bypass around Garelochead and the private haul road through Glen Fruin which will have the effect of routing the construction traffic through another part of Dumbarton District and via Loch Lomond.

However the MoD can also wield an armoury of statutes to enforce its will if circumstances require. For example if a military base is to open or close, if new land is needed for training or if a new road is to be built the MoD, in the name of the Government, has the power to override any local objections

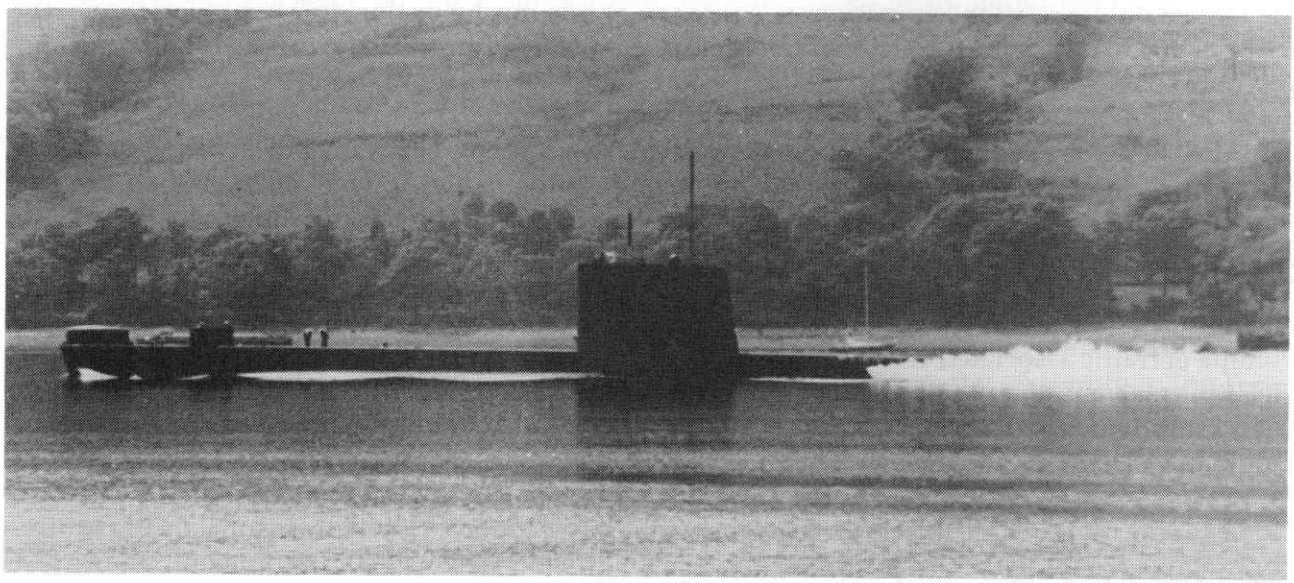
These criticisms may appear to ignore the unique role which society expects the Armed Services to carry out on its behalf. It could be argued that the wide ranging powers of the MoD are simply a reflection of the significance which has been attached to this role

In our view, the difficulty which is presented by the wide ranging powers exercised by the MoD is the lack of accountability or the potential for considering any form of appeal except, perhaps after the event. It is fairly common knowledge that much of what the MoD does is not scrutinised by Parliament in any real detail. This is not due to a lack of political diligence, although the diligence is often tempered by party political expediency; the problem lies in the failure to bring to the attention of MPs and the public the significant details of how the MoD works. We believe there are two reasons for this. Firstly the MoD like every other part of the British establishment is inherently secretive and secondly the MoD is not a single managerial structure: it is a collection of lobbying groups bound together by mutual distrust and lack of information about what everybody else is doing. Within an organisation like the MoD, power appears to be justified on the grounds that the reason for making any decision will often get obscured by the actual process of making it, and that without unquestioned authority to actually get what it wants done, things would be even worse than they are at present.

Leaving to one side for the time being the problem of how to make the MoD more generally accountable, the example of the way in which they approached the expansion of the facilities on the Clyde will serve to demonstrate the arbitrary way that local interests were largely overridden by national defence needs.

In Scotland, if the MoD wish to expand a military base, they do not require planning permission from the local authority nor do they need to provide any measurement of the economic or environmental effect of their proposals. In almost every case the MoD do conform to planning department requirements and submit plans to local authorities. However, if the local planning authority turns down the planning application, the MoD simply apply to the Secretary of State for Scotland for permission and unless he decides to intstitute an inquiry, the work simply goes ahead

In 1985 the AESG included in our report the details of the wrangles which Dumbarton District, the MoD and the Scottish Secretary of State were involved in over proposals for the facilities at Faslane and Coulport. Strathclyde Region held its own inquiry into the MoD's plans and produced an Impact Assessment but it was devalued by the refusal of the MoD to participate. By law the MoD had no statutory obligation to respond to any inquiries from the District or Regional Authorities. In practice, of course, the MoD rely on co-operation for a variety of services and therefore make sure that essential contact is kept up.



Oberon Class Submarine leaving Clyde Submarine Base, Faslane.

In a surprise move, the MOD decided to produce their own Impact Assessment and we have quoted from it in other parts of this report. Its not clear why they went ahead with this although the sheer scale of the proposed work certainly required more detailed scrutiny than other MoD work. Possibly the MoD wanted to answer some of the questions posed in the Impasct Assessment Study produced by Strathclyde Region. Although the study produced by the PSA for the MoD contains information about the needs of the new facilities for roads, sewage treatment, power and water, it also contains a great many dubious statements which are cloaked in what appears to be questionable methodology.

At this stage in the report we felt it was appropriate to consider how the expansion and opening of new facilities for Trident in the US was being handled by the Department of Defence and how the communities affected were responding.

The US base which will be roughly equivalent to those on the Clyde is Kings Bay Georgia on the east coast of America. The UK will be using and paying for some of the facilities at Kings Bay during the training of Trident crews and once the missile is in service in UK submarines. The major functions of the US Base at Kings Bay are listed below.

1 **Strategic Weapons Facility, Atlantic (SWFLANT)**
This will provide facilities for the receipt and storage of missile componants (Trident II), the processing of those componants and the assembly and storage of missiles. SWFLANT will also provide for the transfer of those missiles to the Explosive Handling Wharf and the loading of those missiles onto Trident Submarines.

2 **The Trident Refit Facility, Atlantic (TRFLANT)**
TRFLANT will provide industrial facilities for hull, mechanical, electrical repair in direct support of the submarine. Three fully equipped refit piers, a covered drydock and a magnetic silencing facility will be provided to allow berthing of the submarine during various refit functions. Additionally a full repair parts facility is to perform corrective maintenance on the submarine and schedule it in such a way as to allow the submarine to be on patrol in a very short time.

3 **The Trident Training Facility, Atlantic (TTFLANT)**
TTFLANT will provide in a single building all of the technical training requirements of the submarine and the weapons system. Through training devices of a highly sophisticated nature, crews will initially be trained and will also be provided refresher training in an efficient and time saving manner during non patrol periods. The Training Facility will be the largest building on the Base, having more than 500,000 square feet of space under roof. The cost of the building will be about $691 million.

The total cost of the contruction work and facilities at Kings Bay will be around $1500 million (about the same cost as one Ohio Class submarine armed with Trident II missiles.)

The first Ohio class boat to be 'Trident capable' is the 9th of its class designated SSBN734. It will be delivered to the Navy in 1989 for test firing Trident missiles after which period it will be operating from Kings Bay Base. The period of the construction work at Kings Bay covers the years 1982 to 1991. Based on the known costs of operating the Trident I missile and other facilities at the submarine Base at Bangor the projected annual operating costs at Kings Bay are in the region of $100 million per annum for financial year 1991.

This appears to be an under-estimate given the operational costs at Bangor which are at present in the region of $110 million.

The budgeting procedure for the construction work at Kings Bay is fairly clear. Having estimated the overall cost at around $1500 million, the Navy and the Department of Defence make appropriations each year to the Senate Committee of Approriations for that years proposed budget

amount. Therefore in 1985, the Navy and the DOD requested $404 million for construction work at Kings Bay. This was broken down into a number of well defined sections explaining what each amount was for and how well or badly that stage of the work was progressing.

These costings are open both to public and 'informed' scrutiny from the General Accounting Office. The effect of this 'sunshine' information policy is that the public can get information on the total construction budget breakdown. For example:-

1.	Strategic Weapons Facilities	$379·3m
2.	Mainside Refit	$ 50·1m
3.	Waterfront	$445·4m
4.	Base Support	$518·7m
5.	Community Impact Assistance	$ 36·7m
		Total $1430·2m

In addition the public have access to a yearly breakdown of how the costs are going and a projected figure for the running costs of the entire Kings Bay facility. This includes details of road construction, dredging a 4 mile channel to 500 feet with a 40 foot depth (cost for a period 1982-84 $23·4 million), and details financial packages for the communities affected by the siting and constructing of the Base in their area.

One of the most interesting features of the planning process for the construction of Kings Bay and indeed for any major decisions where military bases are concerned, is the way in which the US has legislated for 'impact'.

Within the US a number of factors are considered when a major Base is either opened or closed. In the case of Kings Bay, one of the first steps which is a statutory obligation was to carry out an Environmental Impact Assessment. This considers the impact of the Base and its proposed operation in terms of appearance , disturbance, ecological effects during both construction and operation and the impact on the resident population. The EIA also considers changes in the residential patterns and any need for new or extended 'utilities' such as sewerage and water supplies. Changes in traffic patterns and 'disturbance' caused by noise are also investigated. This Impact Assessment is carried out with the co-operation and assistance of the community affected. One example of the pratical result of this kind of study is the $3·1 million which has been allocated for Financial Year 1989 to 'repair any roads damaged during the construction programme at Kings Bay'.(p58 Special Hearing Sub-Committee of the Committee of Appropriations Feb. 1985).

Since the end of the Vietnam War, when the US Department of Defence reduced its defence budget, cancelled defence contracts and closed military bases throughout the US, there has been a recognition that communities can suffer severe adverse effects from decisions relating to the change or contraction of national defence policy. Partially, to help establish new bases, and partially to help when old ones close, the Office of Economic Adjustment (OEA) was established in 1962. Underlying this legislation is the acceptance that the opening, operation and closure of military bases all have wide ranging and frequently adverse effect on local economies. To try and ammeliorate the worst effects of decisions taken outwith the areas affected on grounds of 'national security' the OEA was given the remit of attemting to offset any harmful economic impact.

To take the example of the Kings Bay Naval Base, the role of the OEA and the community is considerable. Firstly the Kings Bay Impact Co-ordinating Committee (KBICC) was established as soon as the decision to consider Kings Bay as the site to locate the Trident Base was known. This committee consisted of elected representatives and full time local government officials from the counties affected by the proposals.

The formation of this committee was laid down by statute in 1981 under the terms of the Military Construction Authorisation Act which gave the legal go-ahead for the construction of a new naval base.

The significant point to be made about procedures involved is that the local communities around Kings Bay have been involved in the planning process from the start not as a matter of courtesy but by statute. Their approval was required at each stage of planning and if a problem arose between the community or the KBICC and the Navy or the DOD then the matter could be aired at the appropriations hearing each year.

The Environmental Impact Assessment was only one of a mumber of studies carried out with the involvement of the KBICC. Another was a Fiscal Impact Analysis of the area. This took into consideration the extra load placed on the communities in terms of improving and extending facilities for the Base. This helped to identify such projects as health care facilities, schools, recreational facilities and utilities (ie roads, water supply and sewerage) which would require upgrading.

The chair of the KBICC and additionally the Mayor of the city of Kingsland, Fred Sutton stated in information to the 1985 Appropriations Hearing,

> *'In August 1984 an Econmic Development Diversifications Study was completed, which addressed the need to limit the dependency of our local communities on the Navy. It is rewarding to note that business and government leaders are pursuing the recommendation of this study'.*
>
> *(p63 Appropriations Hearing Feb. 1985)*

Mayor Sutton added in his evidence (p64 Appropriations Hearing 1985)

> *'because the KBICC is involved in providing technical assistance to area governments we ceratainly feel that it is essential that we be kept informed of any and all actions by the Navy which would have any effect on our communities or our plans as they are developed. Issues which will affect the citizens of our area should immediately be communicated to the public when questions first arise.'*

Two very important matters arise from the statements above.

1 The Economic Diversifications Study recognises that it is harmful for the community to develop too great a reliance on the presence of the Navy. What is never stated at any stage in the legislation or the actual planning process at Kings Bay is the idea that the new Base will add to the economic diversity or improve the economic performance of the areas affected.

2 The relationship between the local community and its elected representatives and the Department of Defence and the Navy is a David and Goliath situation. This has been recognised and the interests of the local communities have been safeguarded by statute. This has formalised the relationship between national defence interests and local community concerns.

The last important part of the legislation which has been evolved to deal with the setablishing of military bases is the Community Impact Assistance. The KBICC using the results of the envirnomental, fiscal and economic diversifications studies, puts together a package of proposals which are intended to meet the extra requirements placed on the local infrastructure by the development of the Base. These proposals are either funded over the entire period of the Base construction or more usually, are budgeted as 'one off' annual programmes approved at the yearly Appropriations Hearings. At Kings Bay these projects include sewers, new schools, a new detention centre, extra police cars, roads, medical centres, school buses and industrial assistance.

The relationship between the communities surrounding the Kings Bay site and the Navy was described in graphic if somwhat lyrical terms by one of the members of the local community. He

stated that the position needed to be one of a 'holy marriage" and not a 'shotgun wedding'. This attitude appears to be shared by the US Navy and the Department of Defence.

The way in which the US has recognised the needs and concerns of the community is in some contrast to the paternalistic and ad hoc attitude of the UK MoD. There is also a considerable difference in the methodology which the two countries adopt in measuring the economic effects of their spending on military bases. Because we believe that the effects of defence spending still tend to be treated as marginal by the economists we felt that a more detailed discussion of the issues was warrented.

As we have discussed above, the US Administration has undertaken analysis of the regional impact of defence spending for a number of years, and in particular wherever major military base developments and closures are being proposed and implemented. One of the prime reasons for such 'strengthened and uniform economic impact analysis' is to improve the economic planning and adjustment of communities subject to such changes and to contribute to the efforts of the Economic Adjustment Committee (AEC) in the process.

To set a framework for measuring such defence changes on local economies, the EAC published 'The Regional Economic Impact of Military Base Spending' in 1980. This report had three fuctions: to reiterate the case for such analysis, to compare the different methodologies available for undertaking such assessments, and to develop a best practice model.

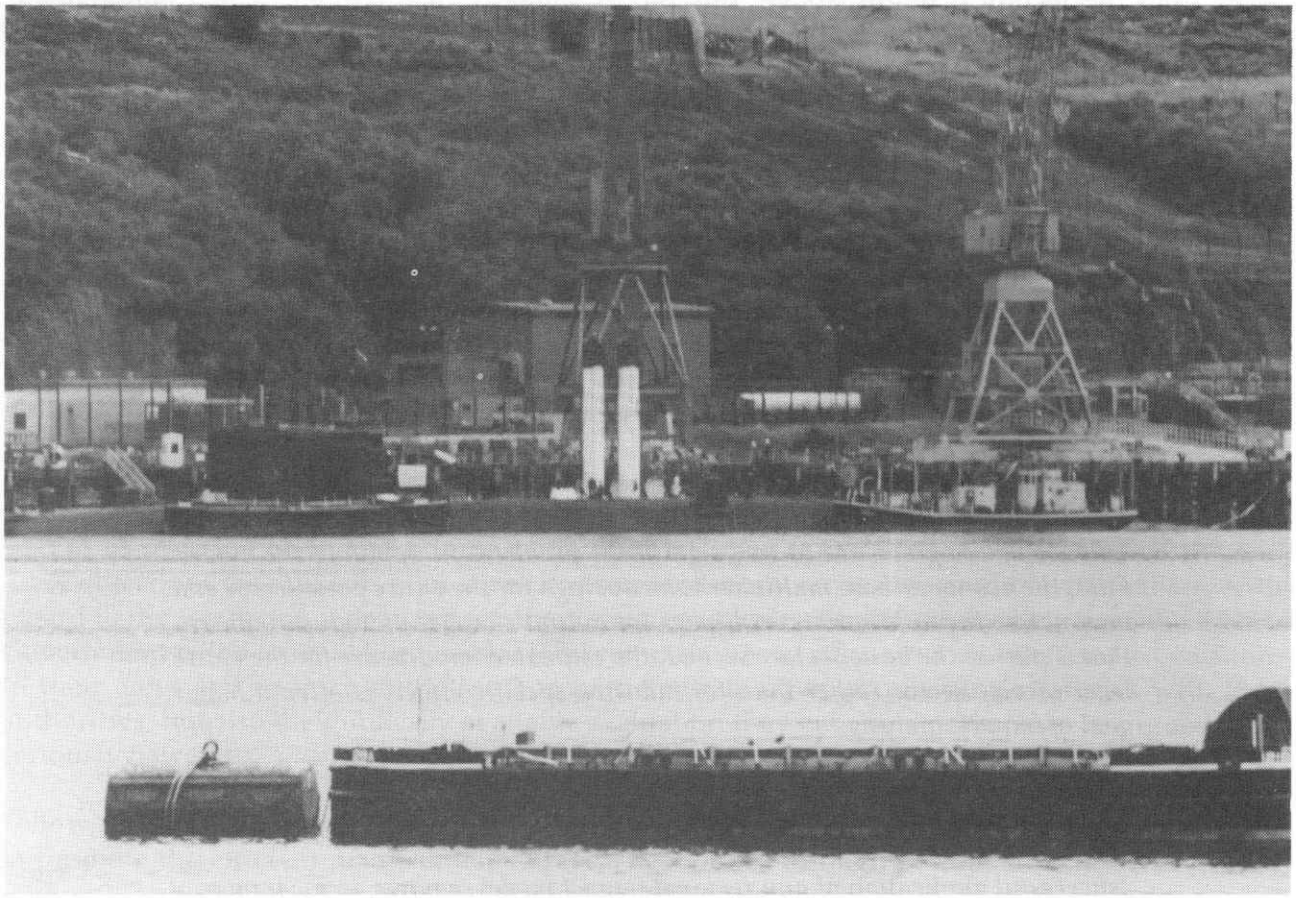
Thus, because the construction of new Federal installations can have substantial effects on the economies of nearby communities

> *'it is important to consider how local economies are affected because an estimate of regional economic impact is important for, local State and Federal planners in designing an appropriate adjustment or recovery strategy.'*

In contrast to this approach orientated towards strategic regional planning, and although the UK would agree with the arguments in the quote above, it has not recognised the importance of researching the effects of defence policy and expenditure changes on local and regional economies.Indeed, and again as US planners contend, while such analysis should not be confined to defence spending, there has also been a reluctance in Britain to evaluate the impact of major construction projects, factory closures and industrial developments in this manner. Although we have reservations about some aspects of the US approach, we do believe that the use of this sort of technique would enhance local and regional planning in this country.

In the context of the Alternative Employment Study Group this would allow us to compare the impacts of defence spending in different parts of the UK, and of defence spending changes with changes in other Government expenditure for example health, housing, support to industry or tax cuts.

The basic approach favoured by the US Economic Adjustment Committee to measure these sorts of impacts is to use non-survey techniques to modify existing national input-output tables to create regional and county level tables. These tables in effect interrelate all sales and purchases within an area, between industries, households, the Government sector, import and exports to produce a stock view of the structure of the economy and the interdependence among the economic sectors. Statistical manipulation of these inter-industry flows of goods and services and of their equivalents in non-industrial sectors (eg wages, taxes, rents etc) allows a number of further evaluative tables of the economy to be produced. These will show for instance, the effects on industry's output and associated earnings of a change of demand in the region as a consequence of a new military base being constructed.



Loading Polaris Missiles onto a Resolution Class Submarine at R.N.A.D. Coulport.

These tables and their related statistics on leakages between expenditure and outputs can then be used to investigate the effects of military base spending, industrial closures, tax cuts etc. To gain the greatest benefits of this technique the US paper stresses the need to use local data disaggregated as far as possible, with as much local knowledge of the underlying relationships. In order to produce the adopted input-output model, then, military procurements and base sales data are used, including information on numbers, types and incomes of employees (military and civilian), expenditures on the base, in local shops and from local subcontractors. Direct purchases from elsewhere.

Working with such a constructed Regional Industrial Multiplier System (RIMS) we can produce estimates of military base impacts and then compare these with the characteristics of the local economy to appreciate the relative effects on earnings and output. The US report draws a number of significant conclusions from the study. Firstly, surveying the bases for procurement and sales data and using this in conjuction with the RIMS model produces accurate estimates of regional impacts which are consistant with recent studies using much more compehensive information. The technique is therefore both efficient and relatively cheap. Secondly it uses readily accessable data and nationally and regionally available statistics. Thirdly, the employment impacts (multipliers) of the bases tend to be smaller than those associated with private sector developments. They are also smaller than those estimated using less sophisticated methodology suggesting caution should be taken in using the latter. Finally the technique can usefully and desirably be used with an econometric model of a regional economy to give an evaluation of changes through time, the different impacts of alternative phasing of development, and so forth.

Some of the arguments and conclusions referenced here are discovered in a complementary report by the Economic Adjustment Office; 'Modelling the Regional Economic Impact of Major new Military Bases' 1983. This also reviews a number of studies on individual projects including 'Trident-West in Florida State, 1975-80','Poseidon and Trident in Georgia and Florida, 1982-95'.

Apart from the technical points above, this report suggests that Trident related employment impacts tend to be concentrated in the construction and services sectors around the bases, and these lead to only relatively small indirect job creation elsewhere in the local economy. However the extent of immigration, commuting, labour force anticipation rates and so forth are all important factors in the degree to which thse forces operate.

Although we said above that British Governments have tended to not to undertake the systematic evaluation and assessment of major defence projects on local communities, in 1984 the MoD and Property Services Agency produced the report on 'Proposed Developments at the Clyde Submarine Base (Faslane and Coulport): Environmental Impact Assessment.' Superficially this would seem to adopt an approach not unlike that advocated by the Economic Committee of Adjustment in the US. However we believe that it differs in several critical ways and can be criticised on a number of grounds with the American reports providing most of the evidence. Firstly,

> *'a major weakness of the economic base model is that it divides local economic activity into only two broad sectors-the local service sector and the basic sector. This weakness gives rise to two significant problems in applying the model. First, the economic base multiplier is an average for the entire basic sector and may not be the appropriate multiplier for output changes in a given industry that is part of the basic sector. Second, the estimated impacts are for the entire local-service sector rather than for industry-specific effects is often a major goal of impact analysis.'* *(p6)*

The MoD/PSA study uses such a model. Secondly the US researchers argue that

> *'successful application of any regional impact model requires an awareness of the unique characteristics of both the model used in the analysis and the project to be analysed'* *(p8)*

Therefore it is important that the experience and previous research referenced in the MoD/PSA study should be relevant to the Clyde Submarine Bases and the researchers should have extensive local, rather than received, knowledge of the area. It is unfortunate, then, that much of the data detailed by the MoD/PSA is not open to verification and most of the remaining statistics are either national or PSA derived.

Thirdly,

> *'regional impact analysis encompasses the analysis of the direct and indirect effects of a paricular project in terms of its economic, demographic, environmental, social and fiscal impacts. Clearly, these types of impacts are interrelated. For example, the direct and indirect project-related increases in employment (an economic impact) can be viewed as potentially generating immigration (a social and demographic impact), which in turn, may result in increased demand for public education (a fiscal impact) and water treatment facilities (an environmental impact). Most regional impact analysis consider economic impacts first and view them as important determinants of other impacts. However, it is important to recognise that there may be sizeable feedbacks on economic impacts resulting from other types of impacts'.* *(p4)*

Yet the Mod/PSA report fails to model and investigate the extent and nature of these interactions although they may reinforce or dampen effects in the local and regional economies to an appreciable extent.

Fourthly,

> *'inexperienced users of a model in a particular impact analysis (even though they might fully understand the characteristics of the project to be analyzed) are vulnerable to violating either the statistical reliabilty of or conceptual assumptions inherent in the basic model.....Second, even those experienced in the structure of a particular model are capable of misapplying the model if they fail to understand the unique characteristics of a particular project with respect to the structure of the model'* *(p9-10)*

The MoD/PSA study is a non-disaggregated, statistic approach treating each year separatley so that dynamic feedback effects cannot be modelled and placed in their regional contexts.

It should be noted, therefore, that this, the only report on the economic impact of the Trident programme on the Clyde Submarine base in the public domain, is constructed in a way that would lead to its rejection on the US criteria set by the Department of Commerce and Defence. Beyond these objections we could also question the presented study on its own grounds, particularly with regard to the treatment of data and feedback between sectors. Therefore, not only have the British Government failed to realistically assist local communities to adjust to major defence expenditure in their aresa and to instruct the MoD to participate in strategic planning strategies with local authorities, but also the publically available evaluation they have undertaken can be argued to be seriously flawed.

Following the US approach above we support the principle that for strategic planning reasons and to promote the efficient readjustments of local economies through periods of major change, full economic impact analysis should be undertaken of military base expenditure. We have also related the arguments for using a regional input-output model in conjuction with the regional econometric model to produce both intertemporal and interregional impacts. There is now a good deal of experience in Scotland in constructing and operating such models for these sorts of analytical exercises. Similarly the data that are necessary to undertake this programme of research are or should be available from a number of official Government surveys and census: the Census of Production, Employment and Population, the New Earnings Survey etc. However, and again in contrast with the US and other countries, the Government in Britain has always resisted the dissemination of disaggregated statistics from these surveys at a county or regional level.

The relaxation of the confidentiality rules underlying this reluctance to disclose information has been sought for a long time by researchers to allow just the set of analysis described here. The construction of the Input-Output tables for Scotland (1973 and 1979) and Strathclyde (1973) showed the feasability of overcoming these problems to a large extent.

Further, as the US reports suggest, specifying inter-industry flows and other relations in the regional economy more correctly should mean only fine tuning of the model results.

To our knowledge the Universities of Glasgow, Strathclyde and Liverpool are currently and independently involved in building the sorts of frameworks necessary to implement the US approach, Similarly others have adopted this sort of methodology, Strathclyde Regional Council and Dundee University for instance, in a number of related studies on industrial closures and public expenditure.Co-operation between these insitutions and the Scottish Office in the past and presently could allow a co-ordinated approach to this analysis. The dual importance attached to local knowledge and experienced researchers would also support the desirability of a research team from these institutions being established to undertake Regional Economic Impact Analysis in Scotland.

It should be borne in mind, however, that the general approach proposed and the data servicing of it shall be applied on a directly comparable and equivalent basis across different areas of the UK. This would allow robust and near exhaustive results to be produced on comparisons of

undertaking developments in different parts of the country, or over different time periods, or with different patterns of expenditure. The full impact of changes on regional and local labour, housing and industrial markets would also be described.

As an illustration; rather than the Government continuing to overheat the South East economy with further large capital defence expenditure along the M4 Corridor, a full evaluation of the economic effects using the favoured approach should have led to different policy strategies being pursued. For instance, the reported problems at Aldermaston in weapons production caused by staff shortages and high wages for electronic engineers generally in the South East(see the Independent, Tuesday 26 January 1988 'Wahead Shortage Threatens Trident...Aldermaston factory years behind schedule.') may have been avoided with proper analysis and planning: development could have been phased differently, diverted North or, of course, replaced with more socially useful expenditure and production.

Perhaps, then, in secretive, centralised Britain the reasons for not following the US Regional Impact Study approach are because the evaluation of alternative forms of public expenditure on the national, regional and industrial economies would suggest greater benefits to the community than from defence spending, and because the claimed advantages to the area of the Lower Clyde and Dumbarton and Greenock in particular, have been inflated and would not stand up to analysis.

Because of our criticisms of the way in which the Government and its departments have approached the area of research into economic impact, we feel that an attempt here at an incomplete analysis of some defence spending inputs to the Lower Clyde would only reveal part of a much more detailed picture. For example, the MoD can provide details of rates paid to local authorities (and Poll Tax charges), wages to civilian and service personnel and some details of parts of the new construction costs. For items such as past inputs, indirect impacts and inter-area leakages, the sources are either unreliable of non-existant.

Therfore, we consider that although this section of the report is incomplete, we believe that this, in itself, represents a major critisism of the way in which the effects of defence spending are monitored. In short, present techniques do not stand up to comparison with those of the US and the apparent lack of official interest in the subject, suggests that unless a positive attitude is adopted, our ability to provide a detailed economic model will prevent further research being of value, to either the Government or the communities affected by defence spending.

New Glen Fruin Road at its junction with the A 82 Loch Lomond Road.

PART 4
FUTURE IMPERFECT.

It has been very difficult to try and conclude this report and the work of four years in a few pages. The Alternative Employment Study Group has been very concerned about the way in which the debate on defence has been conducted in the past. It appeared that every time a major new defence programme, such as Trident, was announced, much of the debate concerning the future of the programme focused on the potential number of jobs it might create if it went ahead, and the number of jobs that would be lost if it was cancelled. We have two major objections to conducting a debate about defence in this manner.

Firstly, it is bad defence policy to use the issue of jobs as a main criteria of whether one kind of weapon is better or worse than another. Secondly, as we have seen with Trident, large defence contracts are poor providers of employment and therefore it is bad economic policy to use defence spending to create jobs.

While the MoD continues to pour millions of pounds into the expansion of the Clyde Bases, communities like Dumbarton, the Vale of Leven, Greenock and Port Glasgow are suffering from high, and in some places, still rising unemployment, and fragile economies.

With some justification, these communities are deeply concerned about the issue of unemployment. The number of people out of work in the various parts of the Lower Clyde are above the Scottish and national average.

We recognise the dangers of continually pointing to high levels of unemployment and using them as the single yardstick of economic performance. We appreciate that factors such as investment, order and demand levels, export performance and even the level of business optimism are widely used as indicators and componants of either economic performance or expectation. Whether present levels of optimism are part of an attempt to conceal a more fundemental economic malaise is open to question, however, regardless of the reason we do recognise that there is more general optimism in some quarters concerning the performance of the economy in 1988 than there was in 1985 when we prodeuced our first report. While optimism is a feature of the national economic picture, it conceals the very striking differences in wealth and economic performance between various UK regions, and in particular between the North and the South

Unfortunately, economic optimism is not enough on its own to overcome the stubborn difficulties of economic decline which are still being experienced in regions such as Strathclyde. Positive steps have been taken however, and partnerships between district and regional councils, the Scottish Development Agency and the private sector have given rise to the 'renaissance of hope' which has been so widely publicised in the City of Glasgow. In a drive for corporate rehabilitation the city has instituted programmes which are intended to improve the environment of areas affected by industrial decay, and at least in the short term, generate much needed jobs. The promotion of the City as a centre for arts, culture and the much publicised Garden Festival are visible aspects of the wider strategy.

While the achievements to date have been considerable, it is recognised that these activities are part of a wider process and not themselves the solution. While communities do benefit from the improving of the areas in which they live the problem of how to add a new diversity to local economies continues to be a serious challenge. Local authorities and district councils have increased their joint responsibility for economic and industrial development. This has taken a number of forms. In partnership with outside agencies and drawing financial support from a wide variety of sources including the EEC, a number of schemes have been developed to try and give incentives to employers. Advice on everthing from management techniques to product development have also been incorporated into the industrial and economic remit. Individual reports on issues such as the future of key strategic industries or on issues such as the infamous closure of the Caterpillar plant at Uddingston have become standard and valuable tools of local economic planning.

Central Government established a number of Enterprise Zones in areas hardest hit by unemployment and economic decline. For example Clydebank was declared an EZ and Inverclyde may be considered for this status during 1988 but if granted, it will be the last area to be granted this status.

The difficulty with the entire system of infra and extra regional aid, is that it produces various levels of competition between areas which all suffer economic disadvantage. Inverclyde will compete against Clydebank and the Dumbarton area which is not an EZ, the Lower Clyde competes against the Upper Clyde and Strathclyde Region competes against Lothian or Highland.

Within a region like Strathclyde, decisions have to be made about which areas merit special support, however the difficulty is that this kind of approach requires that things have to get worse before they can get back to the level of the economies in the immediate vicinity. The proposed changes to the structure of regional aid which the Government announced in January, 1988 will not resolve these problems. If the effect of the changes is to reduce the total level of central government spending on regional aid, then the result will be to increase competition between the economically depressed parts of Britain without resolving the problem of how a more fundamental shift in regional economic performance could be achieved.

Within Dumbarton District the problem of generating employment is considerable. A report by the Director of Planning for Dumbarton District Council (A Brief Economic Profile of the Western Part of the District. Nov 1987) emphasized that the Ministry of Defence was the main employer of the Western end of the District. The MoD have stated that they employ 3100 residents of the District.

Concerning the issue of unemployment, the report stated that Helensburgh was traditionally used as a residential dormitory for Glasgow. Not surprisingly this has the effect of keeping male unemployment in Helensburgh lower than in other parts of the District (The incidence of female unemployment is however higher than in other parts of the District and the report attributes this to the presence of the wives of servicemen stationed at the Clyde bases)

Concerning general levels of unemploument the Director of Planning reported

> *'A more disturbing feature....is the upward trend in the incidence of the long term unemployed....thereby suggesting that certain sections of the District's potential workforce are in danger of being permanently excluded from the local labour market.'*

The figures strongly suggest that general improvements in the national economy and employment do not result in an equal sectoral or geographical benefits. In short, it is not now the case that rising economic tide lifts everything equally.

The combination of suffering almost no major improvement in economic terms and the presence of an Enterprise Zone in Clydebank and a proposed EZ in Inverclyde possibly means that Dumbarton District will suffer fierce competition for any new jobs and be disadvantaged in the benefits it can offer. At present the Scottish Development Agency have established a Programme for Rural Initiatives and Developments in Western Dumbarton with grants available for tourism and leisure, manufacturing and industrial projects. The District Council has established its own Employment Forum which is working to co-ordinate the establishing of a Joint Economic Initiative Area for Dumbarton and Vale of Leven. This project is sponsored by Strathclyde region.

The report of the DDC Planning Department makes one very important recommendation which we would endorse and for which we have argued in this report. A detailed economic impact assessment of the Trident expansion scheme should be carried out at both regional and district level. We hope that the lack of detailed information which has hindered our attempt to carry out a project along these lines might become available to the regional and district councils and that the Ministry of Defence might this time consider participating in the details of the exercise.

At the time of writing, it still appears that the MoD are unwilling or unable to provide detailed information of the effects which the Trident programme will have on local employment on the Lower Clyde. On 15 January 1988 in a Parliamentary response the MoD stated,

> *'The phasing out of Polaris is currently the subject of detailed planning within the MoD. Until this work is completed, it is not possible to be specific about the timing of any resultant job losses at RNAD Coulport. Assessments of how many new jobs are likely to be created at the depot are similarly dependent upon the outcome of this work, which because of its complexity, will not be concluded for some considerable time. The investigation into any other possible employment will similarly take a considerable time to complete.*
>
> *(Hansard 15 Jan 1988 Co 412)*

The communities on the Lower Clyde have become very dependent on decisions taken outwith their control. The MoD in the answer quoted above provide ample evidence of this and they seem to see no reason why they should change to try and meet the needs of the local communities affected by their decisions. Proponants of fostering economic self help have dubbed Scotland a dependency culture. This criticism appears ill considered in the face of the efforts being made by the people of the Lower Clyde, and their representatives in local and national government, to work for a more secure economic future which allows for the changing structure of the economy and which meets the needs of the community.

The Alternative Employment Study Group has not answered the problem of how to generate new jobs, however, we hope that we have addressed the issues surrounding the impact and measurement of military spending on local economies and suggested a number of reasons why the work we have started should be carried on.

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Front Cover: Faslane Naval Base
Above: A view of Faslane showing part of the expansion of facilities for Trident

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