



TOGETHER
for a sustainable future

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1. We in SFADCO are honoured that UNIDO has chosen our headquarters for this Workshop; and we are grateful to the participants who have come here over such great distances. We are anxious to help UNIDO ensure that the work which you are now beginning will be fruitful, and to help also to see that you will enjoy and remember favourably, your visit to Ireland and to Shannon.

2. Shannon owes a great deal to other countries. Its very existence arises from, and depends on, the international movement of people and goods. When, at the inception of our development project, we faced a new task in which we had no experience, we were quick to seek out the best existing experience, wherever it existed. We still do, whenever we have a new problem. We have met great helpfulness in other countries and from international organisations. We welcome this Workshop because it enables us, at least to some small extent, to repay our indebtedness.

3. Members of SFADCO staff will be dealing, in later sessions, with different aspects of free zone development and operation. They will be drawing, to a large extent,

on experience gained here at Shannon. The UNIDO organisers of the Workshop felt that it would help you evaluate the relevance of our experience to your problems if I gave you in this Session a short history and general description of our Company's work. You will have a paper on this in your information folders. I propose to deal with the subject in broad outline, and to finish on a point of relevant experience which, while a very important one, might not come out of any of the subsequent sessions.

4. The first commercial trans-Atlantic air services were operated by flying-boats; and the internationally approved base on this side of the Atlantic was Foynes, across the River Shannon from us here. The flying-boats were superceded by land craft, a process hastened by aircraft development in the Second World War. Operations were transferred to the present Shannon Airport, where the first concrete runways were finished in 1943.

5. As traffic developed at Shannon, the Irish authorities saw how customs formalities for transit passengers (and initially most passengers were in transit) were a serious bother and delay. Air passengers expected speed, and clearance of customs and passport formalities were particularly irksome to them. Irish Government officials secured international recognition in principle for the establishment of customs-free airports, and the Irish Government then enacted legislation providing for complete exemption from customs examination of passengers and goods in transit through Shannon.

Thus in 1947 the Customs Free Airport Act made Shannon the first duty-free Airport in the world. An important outcome of this was the establishment, also at Shannon, of the first Duty Free Airport Shop in the world. This shop has since grown continuously as an important dollar and revenue earner - its turnover last year was close on five million pounds sterling.

6. With rapid growth in air traffic during the 40s and 50s, Shannon's prosperity grew. By 1958 a major threat to Shannon's continued existence was clearly visible; a threat so serious that many people foretold inevitable decline.

Jet aircraft were being introduced, and it was clear that they would take an ever-increasing share of trans-Atlantic traffic. They would not need to land for fuel. They would operate most economically on long hauls, and they would place great emphasis on speed and on direct point-to-point transport.

Eighteen hundred jobs in jeopardy, particularly in the West of Ireland where there was almost no manufacturing industry to offer alternative employment; was a grim prospect. And, undoubtedly, the economy of the whole region around the Airport would suffer with the decline of a major centre of communications.

Faced with this threat, the Irish Government took quick action, and brave action. They constructed a 10,000 foot jet runway, on the assumption that jets would land here - an act of faith which, if misplaced, would have been an extremely expensive one for a small country. And they

set up the Shannon Free Airport Development Company, SFADCO., with two broad remits:

- (a) to promote aviation traffic through Shannon, by creating commercial reasons for landing to replace the vanishing technical reasons; and
- (b) to promote industrial development at the Airport, both to provide more air freight and to provide employment. Employment creation was specially important as jobs were scarce in the region and as it was anticipated that there could well be decreasing employment at the Airport, even with promotion of aviation.

At the same time, new legislation was passed to improve the customs-free operation of the zone and to provide, as an incentive to industry, freedom from tax on export profits for a period of 25 years from 1958.

8. Thus the action taken at Shannon, and the establishment of the Industrial Free Zone here, arose from aviation rather than industrial development considerations: it was a counter to a threat and was concerned initially with the development of the Airport rather than with the development of industry.

Very quickly, however, we saw that we were involved in a positive rather than a defensive operation. Rather than preserving the Airport, we were concerned with using fully the great asset the Airport represented for regional development. It was an asset which could be used for creation of industry at Shannon, for the attraction of industry to the region around Shannon, and for the establishment of a

pole of growth in the West which could counter-balance the natural growth in the East, around the capital.

9. We saw, too, that manufacturing industry and tourism, both needed for aviation development, were not mutually exclusive or hostile to each other. Rather, through careful planning, could they support and enhance each other. A new hotel, built primarily for tourists, can make it easier to attract industry to an area. Industry in an area can make it easier, by providing year-round custom, to provide hotels and other tourist amenities. SFADCO's involvement in both types of development was unique in this country, and undoubtedly helped us greatly in our total task.

10. At an early stage, too, we realised that successful development of industry at Shannon was dependent on sound planning outside the zone - not just of the new town here, but of housing and other development throughout the area, and principally throughout the area from which our labour was drawn. Our first involvement in this regard was with local authorities in the Region; then we were able to play a part in setting up a Regional Development Organisation, whose main concern is infrastructural development; and then, a few years ago, our own responsibility for industrial development was extended to cover the Mid-West Region - the counties of Clare, Limerick and North Tipperary, centred on Limerick City. Another Session of the Workshop will deal with the interaction between an industrial free zone and its Region.

11. Progress at Shannon has not been smooth and uninterrupted. We have had set-backs, by far the most serious of which was last year's recession. This struck hardest at the export markets on which most of the new factories here depend. We had redundancies, and a few factory closures. Whereas our previous target, which we had achieved successfully, was 500 new jobs per year, last year we finished up with 500 less jobs than at the beginning of the year. It was a rough time, but those firms which survived it - and they are the majority - have proved their soundness for the future, and steady growth has recommenced. As of now, there are nearly 4,500 people working in the Free Zone; 2,000 people working at the Airport; 600 people working in construction; and 300 people working in service and administrative jobs, including in the schools and shops of the new town. With well over 7,000 people working each day at Shannon, and with a town population of approaching 4,500, you can see that Shannon is still very dependent on the Region around it. Development is unbalanced as between industrial zone and town, and as between Shannon and other parts of the Region. Our regional plans now aim to correct this.

12. While much of the action at Shannon centres on SFADCO, SFADCO is far from being the only developer or the only agent of change in the area. Other State Agencies, notably the Industrial Development Authority and the Irish Tourist Board (Bord Fáilte), but including also the National Airports Authority (Aer Rianta), the Irish Export Board (C.I.T.), the National Transport Organisation (C.I.E.), the airlines, and particularly the National Airline, (Aer Lingus) and many other State, local and private enterprise agencies have contributed, and still contribute, to the development programme for Shannon and its Region.

If SFADCO can be proud of anything, it would be of the way in which it has succeeded in winning the support of, and securing the co-operation of, the many other agencies which have a vital part to play in the development of this area. And if there is any bit of wisdom we have acquired from our experience it is this: don't look for credit. It is much more important that the job should be done than that any particular person or agency gets credit for doing it. Most inter-agency disputes, most failures in co-operation, stem from the breaking of this simple rule. Achievement of the overall objective is what matters, not who is credited with achieving it.

13. I said that I would refer to one other matter arising from our experience which may not arise in subsequent sessions.

A common characteristic of all free zones is, and must be, that they are all concerned with traffic between nations. There could be no such thing as a free zone which was concerned only with its home country and home market. We are all proud of our national cultures and traditions, and we must continue to be. Without our different societies the world would be stale, even stagnant. So those concerned with free zone development might properly ask: will the new international trade and associations which they bring damage our identity as a people? I have thought about what the answer from our experience might be.

14. Here, in the West of Ireland, we have had a growing Airport

for over a generation. Airlines of many countries have operated through here. Their staffs have been based here, and have lived amongst us. Shannon has become a major tourist entry point of Ireland and Europe. The greatest international impact of all, however, has come with the new factories which have brought foreign managers and key-workers to live amongst us, work beside us, and share our recreations. Anyone who foresaw all this, even ten years ago, might have feared that Shannon and the region around it would become less truly Irish, more internationalised, more Americanised. Certainly we were conscious of this danger.

15. In fact, our experience has been quite different. We have seen at Shannon a growth of interest in the culture and traditions of our country. You will, for example, probably hear more traditional music in this area than in any other part of Ireland - in fact, you will hear some of this yourselves, tonight. National identity has grown rather than diminished. In retrospect, we can see a few reasons why this happened.

16. First, working with people from other countries gave us an opportunity to measure ourselves against them. We learned that there was no special gift which the Americans, or the English, or the Germans had that made them better businessmen, or better workers, or more honest than we were. We found that the differences, such as they were, were personal or arising from special experience - man to man, we were as good, and if we tried harder than they did, we could be better. We had nothing to be ashamed of, and therefore no need to change towards imitating others. This experience strengthened rather than diminished national pride.

17. Second, and related to this, we found that there were, indeed, things which people from other countries had learned and which we could usefully learn in our turn. For example, American organisational ability and productive skills; British practicality and self-assurance; German thoroughness. By learning from the best of their acquired characteristics we can become better Irishmen. And this is particularly acceptable when we see that they, in their turn, have something to learn from us and that they recognise this - such as a respect for things of the spirit. What they see good in us is strengthened in us by their regard.
18. Tourism, too, can be used to foster national distinctiveness. Tourists travel to experience differences, and provide a commercial support for traditional entertainment. Tourism, here, has made it possible for many more people to earn their living through music and song. For example, many more youngsters are now learning to play the fiddle and the harp; and we can have summer seasons of drama which would have been impossible a few years ago.
19. From our experience, I do not see much danger of free zone internationalism damaging a national culture. Relative scale could, of course, be important. We might have become more Americanised if we had had twenty times as many Americans. So, I would say that the danger, while probably exaggerated, should be seen as existing. And hence there would be a great deal to be said for matching any free zone development programme with a positive programme of cultural development in its area. Of course, the more international the zone is the less is the threat of any one foreign culture dominating our own - and, for that reason,

I see our probable entry into the E.E.C. as full of prospects for national development in the social and cultural, as well as in the economic, sense.

20. Any free zone development, or any economic development whatsoever, has as its objective the improvement of the lives of people, through greater employment opportunities and increased prosperity. But it would be a grave error for any planner to measure the quality of life in economic terms only. We have made a number of errors at Shannon - and we hope to pass you on the benefit of this experience as well as our good experience - but I think we can claim that we have avoided this basic error in humanity. Philosophers and poets can ask awkward questions and can, as we say here, sometimes "drive us up the wall". But it is worth while, on occasion, to be driven up the wall, and to pause there to look at the view.
21. I wish you all a most successful and rewarding Workshop.
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