LOCAL AUTHORITY ACCOMMODATION
OF OIL-RELATED DEVELOPMENTS
IN EASTER ROSS

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Ph.D
University of Edinburgh
1986
I declare that this is entirely my own work

(signed) ........................

ISOBEL K. GRIGOR
ACKNOWLEDGEMENTS

The work upon which this thesis is based could not have been carried out without the openness of many people to discuss frankly the events with which I have been concerned. Thus I would here record my sincere thanks for their welcome and cooperation to - Mr P. Borland, Mr S. Brady, Lt. Comm and Mrs P.E. Durham, Mr J. and Miss J. Forsyth, Mr R. Forsyth, Mr W.S. Fowlie, Mr W.A. Gillies, Mr M. Greaves, Mr J. Hughes, Mr R. Kilpatrick, Mr C. Lobban, Mr G.A. Mackay, Mr McGhee, Mr A.T. McIndoe, Mr R. Mardon, Professor R. Moore, Mr F. Reid, Mr J.C. Robertson, Mr W. Rougvie, Mr B. Shannon, Mr G. Smith, Mr M.J. Stansbury, Mr J.A. Stuart, Mr D. Sutherland, Mr D. Urquhart, Mr A.P.J. Varwell and Ms D. Wilkinson. In addition I am deeply grateful to Mr Richard Ardern, librarian with the Highlands and Islands Development Board, and Mr David Watt, Editor of 'The Ross Shire Journal', for granting me access to essential material which would not otherwise have been available.

The writing of this thesis has been a prolonged affair, drawing, I am sure, on the patience of many. I owe particular thanks to my supervisors, Ian Dey and Neil Fraser, for their constant guidance and encouragement. In addition, I would wish to thank those closest to me for their understanding. I would also thank Joy Hendry and Ian Daniel, who have done much, much more than simply type the thesis.
The arrival of oil-related developments in Easter Ross in the early 1970s was greeted unreservedly by the local authority in that area as the means of bringing far reaching prosperity to their County. In this the Council reflected the view of the Highlands and Islands Development Board and Central Government policy statements that the problems of the Highlands, defined as depopulation, low level of industrial investment and lack of employment opportunities, would be answered by establishing an industrial base in the area. This view stemmed from the belief that the Highlands and Islands of Scotland had failed historically to attain to a place in modern industrial society, and that what the area needs now is integration in the market economy through the introduction of industry.

Against this is is argued that the Highlands, far from being an underdeveloped region isolated from the penetration of market forces, are profoundly integrated within the wider UK economy. The area's history, which has brought it to this point, is of serial exploitation of local resources to satisfy market demands. In adopting a policy based on the area's need for involvement with industry, the role played by the market historically is disregarded, so that when oil arrives on the scene the Highland's
experience of domination by the interests of the market is reinforced. The analysis of dependent development is used to show the potential for dependence upon and domination by the interests of capitalist expansion which exists in the Highlands’ involvement with the oil industry. The role of Central and Local Government as intermediaries for the industry’s engagement in the area is given particular attention. Here we have an industry of peculiar strategic importance, with which the State has chosen to identify uncritically in adopting a *laissez faire* approach to oil-related developments. In the case of the local authority we find at least an equal commitment to supporting the industry’s involvement in Easter Ross, for the contribution it represents to Council development strategy.

Detailed consideration is given to the unfolding of the Council’s policy on industry in general and on the arrival of oil-related developments. This discussion focusses on the Council’s actions in the exercise of its powers for physical planning and housing, as it was primarily through these powers that the Council sought to establish its approach to industry. In its identification with the interests of industrial investment the Council tried to create an environment through planning and housing provision which would induce industry to become established in the area. In the event we see the independence of industrial interests from those of
the host community and their responsiveness to the market, in that only the most limited involvement with the oil industry took place in Easter Ross, despite the Council's efforts. Uncertainty over the rate and scale of development, an apparent surge of industrial interest followed by failure to develop sites over which planning permission had been obtained - all demonstrated the power of industry over the area, and the vulnerability of the position adopted for Easter Ross by the local Council.

In Shetland, it is suggested, we have an alternative situation in which a different cultural outlook and recent economic experience are reflected in a more critical approach to incoming industry. Questions are raised from Shetland's experience and suggestions offered regarding the way in which a local authority such as that of Ross and Cromarty might respond to industry more appropriately - by seeking to represent aggressively the interests of the host community in negotiations with incoming industry, based on a perceived separation of interests.

(A paper with the same title as this thesis was published in the Scottish journal of Sociology in November 1978 (Vol.3 No.1). This was a working paper taken up mainly with a description of the County Council's housing policy, which is the subject of Chapter 4.)
### Abbreviations Used in Text

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<th>Description</th>
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<tr>
<td>APJ</td>
<td>Aberdeen Press and Journal (date given).</td>
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<td>AJ</td>
<td>Architects' Journal (date given).</td>
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<tr>
<td>AUEW</td>
<td>Amalgamated Union of Engineering Workers.</td>
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<tr>
<td>BA</td>
<td>British Aluminium Company Limited.</td>
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<td>BACO</td>
<td>&quot; &quot; &quot; &quot;</td>
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<tr>
<td>BNOC</td>
<td>British National Oil Corporation.</td>
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<tr>
<td>CARPU</td>
<td>Community and Resource Planning Unit.</td>
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<tr>
<td>CCmins</td>
<td>Minute of Meeting of Ross and Cromarty County Council (date given).</td>
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<tr>
<td>CFDC</td>
<td>Cromarty Firth Development Company.</td>
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<tr>
<td>CPO</td>
<td>County Planning Officer.</td>
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<tr>
<td>CROWN</td>
<td>Cromarty Refinery Opposition Workers.</td>
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<tr>
<td>D.C.mins</td>
<td>Minute of Meeting of Ross and Cromarty District Council (date given).</td>
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<tr>
<td>DE</td>
<td>Daily Express (date given).</td>
</tr>
<tr>
<td>D.of E.</td>
<td>Department of Employment (Dingwall/Invergordon area).</td>
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<tr>
<td>ERJSC</td>
<td>East Ross Joint Sub-Committee.</td>
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<tr>
<td>ERWG</td>
<td>East Ross Working Group.</td>
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<tr>
<td>ESCSS</td>
<td>East Sutherland Council of Social Service.</td>
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<tr>
<td>GH</td>
<td>Glasgow Herald (date given)</td>
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<tr>
<td>HC</td>
<td>House of Commons</td>
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<tr>
<td>H.C.mins</td>
<td>Minute of Meeting of Ross and Cromarty District Council Housing Committee (date given).</td>
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<tr>
<td>HIDB</td>
<td>Highlands and Islands Development Board.</td>
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<tr>
<td>Hi-Fab</td>
<td>Highlands Fabricators.</td>
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<tr>
<td>HMSO</td>
<td>Her Majesty's Stationery Office.</td>
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<tr>
<td>In.Job Centre</td>
<td>Invergordon Job Centre.</td>
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<td>Int.</td>
<td>Interview (interviewee and date given).</td>
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<tr>
<td>MFD</td>
<td>Moray Firth Development.</td>
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<tr>
<td>MSC</td>
<td>Manpower Services Commission.</td>
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<tr>
<td>NESDA</td>
<td>North East Scotland Development Authority.</td>
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<td>NESJ PAC</td>
<td>North East Scotland Joint Planning Advisory Council.</td>
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<td>NSOP</td>
<td>North Sea Oil Panel.</td>
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<tr>
<td>OIL</td>
<td>Onshore Investments Limited.</td>
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<tr>
<td>P&amp;D mins</td>
<td>Minute of Meeting of Ross and Cromarty County Council Planning and Development Committee (date given).</td>
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<tr>
<td>P&amp;W mins</td>
<td>Minute of Meeting of Ross and Cromarty County Council Property and Works Committee (date given).</td>
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<tr>
<td>PI ref.</td>
<td>Report of Proceedings at Public Inquiry into</td>
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Proposed Oil Refinery; Oil Storage and Marine Terminal Facility at Nigg Point, Easter Ross.

**R&CCC**
Ross and Cromarty County Council.

**RJ**
Ross Shire Journal (date given).

**SCDI**
Scottish Council (Development and Industry).

**SCOT**
Support Cromarty Oil Terminal.

**SDD**
Scottish Development Department.

**SEPD**
Scottish Economic Planning Department.

**S.of S.**
Secretary of State for Scotland.

**SIC**
Shetland Islands Council.

**SSHA**
Scottish Special Housing Association.

**SM**
The Scotsman (date given).

**ST**
Shetland Times (date given).

**TGWU**
Transport and General Workers Union.
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CHAPTER ONE

APPROACHES TO INDUSTRIAL DEVELOPMENT

Introduction

In the first Annual Report of the new Highlands and Islands Development Board in 1966, Chairman Professor Robert Grieve, in describing the Board's task, lumped together the Highlands and Islands of Scotland (see map page 2) with other "marginal economy areas of developed countries" which were the subject of regional development agencies worldwide, notably the Cassa per il Mezzogiorno (southern Italian development agency) and the Tennessee Valley Authority of the 1930's in the USA. Their job was, he said, to;

"tackle the areas of their countries that the various revolutions in agriculture, industry and technology have passed by." (HIDB, 1966, Foreword)

In seeking to effect, belatedly, the modernising of the Highland economy, the Board gave as its aim;

"move the industrial centre of gravity further up Britain." (HIDB, 1968, Foreword)

Thus Highland development was equated with the establishment of industrial activity within the area, thereafter refined to allow industrial promotion efforts to be concentrated upon the single
most promising area within the Highlands, the Moray Firth (see map 2 page 4). The equation of industry with development was adopted also by the local authority at the heart of the Moray Firth area, Ross and Cromarty County Council, as they took a progressively more active role in seeking to attract industry to the area within the County known as Easter Ross which was identified as possessing greatest potential for industrial development.

The implications of a development policy based upon the introduction of industrial activity have been discussed extensively, in relation to the Latin American experience by Frank (see for example Frank, 1969a), and more recently in relation to the Highland experience by such as Carter (Carter, 1974) and Moore (Moore, 1978, 1982) drawing on the work of Galtung. (Galtung, 1973) This work has shown the importance of taking account of the effect of incoming industry upon the social and economic relations of an area on the fringe of the national economy. In relation to the Highlands of Scotland it has demonstrated the importance of viewing from a critical perspective the interaction of newly-established industry with the local economy. It cannot be assumed, as was taken as the basis of Highland development policy by the Highland Board and by Ross and Cromarty County Council, that industry is necessarily ‘a good thing’. In fact, as has been shown, the long-term weakening of the local economy may result from the domination
Map No. 2-Moray Firth area with Easter Ross
of an area by a large-scale industry which has the power to draw labour away from local trades to support an enterprise which is responsive to external forces, directed to serve external interests and of limited duration. (See, for example, Dos Santos, 1969)

Where these views of industry, as the *sine qua non* of development, or as a force for domination and dependence, diverge is in their understanding of the marginal economy which is the object of development strategy. The first is based on an understanding of development, which assumes that discrete regional economies should approximate more or less closely to an ideal, the modern industrial economy. The second sees an economy as embodying a set of relations, social and economic, which are the outcome of its historical experience with other sectors of the wider economy with which it is in interaction, and which undergo change in response to the forces of the market place. In identifying with the latter approach described above, Bernstein has explained the difference in perspective in terms of types of theoretical commitment:

"This commitment derives from a fundamental perception of the historical nature of social reality, in general and in particular, in contrast with the study of history as sequences of unique events or the perspective of formalist social theory." (Bernstein, 1973, p.21)
We have in the arrival of large-scale industry in Easter Ross in the period 1965-1975 an opportunity to consider the impact of industry on that community in terms of approaches to development. This is a community which has lain at the centre of a prolonged effort to bring industry to the Highlands (meaning manufacturing industry) for the jobs it would provide. We therefore have in the actions of the local authority, Ross and Cromarty County Council, a particular philosophy of development translated into action, and an opportunity to go beyond a straightforward descriptive impact study (e.g. Randall, 1977) to consider in detail the role of the local authority as mediator of the local impact.

It is important, in focussing upon the actions and ideology of this local authority, that we set the County Council's actions in the context of the development debate through which their attitude towards industry was formed. As Stanyer has observed in approaching his study of Local Government at work, any study of Local Government behaviour:

"must be seen within the context of the relationships and processes that bind them (the separate parts of Local Government organisation) together within the confines of the individual political system."

(Stanyer, 1976, p.163)

Here we would neglect vital formative influences on this local authority in framing its policy on incoming industry were we to ignore the importance of discussions of the nature of 'the Highland
Problem which have stretched practically throughout this century, and of the activities of Central Government and of the Highlands and Islands Development Board following its establishment in 1965. Equally, in considering the actions of the Council in responding to the prospect of industrial development, we must consider the influence of particular members and officials who were influential in establishing Council policy in this area, and the balancing of priorities in the decision-making process. Thus this chapter will be devoted to consideration of the understanding of the 'Highland Problem' which underpinned policy initiatives affecting the whole Highland area, but specifically in relation to Easter Ross.

The latter part of the chapter will be taken up with the implications of a policy based upon the identification of Highland development with the expansion of industrial activity. The County Council's identification with the interests of industry will be examined as we consider their response to the arrival in Easter Ross of oil-related developments, an industry of peculiar national importance involving the interests of multi-national companies. In the interplay of interests which follows we are given an outstanding opportunity to consider whether indeed the interests of capital as represented by the oil industry always coincide with those of the host community.

Just as Ross and Cromarty County Council's actions during this
period are to be understood in terms of their identification with the interests of industry, we find in Shetland a quite different ideological approach to development issues, thence to the prospect of oil-related activities on the Islands. The differences in perception which will be outlined in this introductory chapter in relation to theories of development will be considered in the final chapter as they were applied by the local authority in Shetland in responding to the oil industry, the "materialist Nirvana", as it was called there. In the intervening chapters (Chapters 2, 3 and 4) we shall observe in detail the application of Ross and Cromarty County Council's ideological commitment to the encouragement of industrial activity through their responsibility for planning and for housing. From this, and from industry's response, we should have an understanding of the implications for this community of their Council's commitment to industry.

Most recent studies have taken as their starting point the arrival of oil-related developments. They have not questioned the power or the authority of this industry to bring to their chosen communities the implications which are the subject of their respective studies. They are taken to be simply phenomena of involvement with the oil industry by virtue, presumably, of the rate and scale of development, the particular physical features of
the industry and its strategic significance. The work which has been done in the Highlands by Moore and Carter (ops.cit.) in seeking to develop a sociological perspective on development issues within the area has therefore provided a significant contribution to discussion of underlying questions concerning the interface between local communities and incoming industry.

In a study of the social impact of oil-related developments, Robert Moore has referred to the practical difficulties faced by one local authority, Aberdeen County Council, in responding to the demands presented by the arrival of new developments at Peterhead. (Moore, 1982) He has identified the parameters of the local decision-making process as an area requiring future work. This point has been repeated by Greico, who has carried out research in Shetland on return migration following the arrival of oil work (Greico, 1978), and who has identified from her experience in that community the need to explain differences in local authority response to oil-related developments between Shetland's Council and that of a mainland Scottish community (she has suggested Peterhead).

In considering the context for discussion of local issues arising from involvement with the oil industry it is important also to recognise the political dimension of events affecting the industry. The political economy of North Sea oil is a fairly well-
developed field of discussion, due mainly to the contributions of Donald MacKay and Tony Mackay (MacKay & Mackay, 1975), also Max Gaskin (see, for example, Gaskin, 1977) of Aberdeen University. During the early 1970's debate surrounding the development of "Scotland's Oil" (see, for example, Mitchison, 1974) was a key issue in UK politics - and remained so at least up to the referendum for a Scottish Assembly.

The MacKays and others have shown an awareness of the choices which guide local and National Governments in responding to the oil industry. Moore and Greico have added a valuable dimension in recognising the significance of local politicians' actions in influencing the local impact. No study, however, has sought specifically to explore the parameters of local authority decision-making when faced with the prospect of involvement with this industry, to consider what influence, if any, local actions might have. Our study of Ross and Cromarty County Council, and the questions which arise from a necessarily superficial discussion of events in Shetland during the same period (see Chapter 5) gives us the opportunity to do precisely this. We may ask ourselves whether indeed a Council has any room for manoeuvre when faced with industrial activity of this sort, also from what perspective its response arises and with what effect.

Any study of the implications of oil-related developments for a
host community should address itself to consideration of alternative course of action. A thorough-going comparative study involving the apparently contrasting actions of Shetland’s local authority during engagement with the oil industry is not within the scope of this study. It has seemed important in the first instance to explore in detail the approach of this single local authority in Ross Shire. However, important questions arise in our study of Ross Shire’s County Council concerning the parameters of local Council action which may be taken further as part of a study involving comparison with a community which is publicly accepted as having chosen to offer a rather different response to incoming industry. From the rather preliminary discussion of Shetland’s experience certain conclusions are therefore drawn regarding the link between development philosophy, Council action, and the implications for the host community during a period of industrialisation. These now deserve the testing which a comparative study involving similarly detailed discussion of the Shetland context would provide.

In Ross and Cromarty’s case, as we shall consider in Chapters 2 and 3, the local response to oil-related developments arose out of the local authority’s policy on industry in general. The particular demands of rate and scale of development brought peculiar strains for the local community, but the significance for the Council of events during the period of oil work lay in the fact that here was an
example of industrial activity. As explained above, we may then set the Council's approach in the context of their policy on development and of Highland development rhetoric.

Despite the national significance of developments in the oil industry, the burden of responding in practical terms to the arrival of new industry has landed, virtually unaided, upon the local authorities in the areas directly involved. Throughout the period of greatest activity in the north, Central Government guidance was notable by its absence. Such statements or actions as it did make were designed only to underline its commitment to ensuring a favourable environment in which the industry might operate freely, hindered neither by a shortage of supportive resources (McCrone, 1974; Lyddon, 1975) nor by local ingenuousness. (SDD, 1974; Cmnd 1978) The essence of Central Government's response has been *laissez-faire*. (The political choices which help the context for the oil industry's operations, and their economic ramifications, have not been lost on the Scottish Highlands. The sensitivity of both on- and off-shore operations to licensing and taxation decisions on the part of Central Government are well appreciated, as is the significance of the actions of national Governments in other parts of the world in establishing the viability of the whole North Sea field.)
We are fortunate in having a readily circumscribed period as the subject of this study. Oil-related developments made their impact on the community of Easter Ross from 1971 onwards. Before that, the County Council had developed their industrial strategy through a number of crucial stages from the mid-1960's - coinciding with the life-span of the Highlands and Islands Development Board. Discussion of 'the Highland Problem' which has been carried out through this century in the Highlands has been accompanied in the same period by Central Government decisions in its regional policy taking in the Highlands and Islands and particularly since the end of the Second World War, Ross and Cromarty County Council have committed themselves to that discussion and to establishing Easter Ross as a prime industrial location. Thus we shall follow this time progression before focussing on the specific and most recent issue of the County Council's interaction with the oil industry during the early 1970's (after reorganisation of Local Government in 1974 the County Council was replaced by Ross and Cromarty District Council (housing) and the Highland Regional Council (planning), but by then the peak in activity had passed).

Less easy to circumscribe has been the focus of this study, since discussion of Highland development priorities inevitably raises such issues as the effectiveness of regional policy and intervention (see Alexander, 1965a) the rationale behind Central
Government organisation of regional incentives (MacKay, 1965) or the bias in existing measures towards capital-intensive activities. (see Moore, 1978) While these and other strands may emerge in passing in the course of this study they are not covered in any detail as they really relate to a separate study of the political economy of regional policy and Highland development.

In translating their development philosophy into action, Ross and Cromarty County Council depended most heavily on their actions in the sphere of planning decisions and housing provision to communicate their commitment to the encouragement of industrial activity in the area. Clearly, in a predominantly rural setting, it will be in these areas of Council responsibility that incoming industry would first make critical contact with the host community. The long-term prospects of incoming firms may well depend upon their success in negotiating through the planning process for favourable terms for their entry into an area, or upon the availability of housing and other infrastructure resources to cater for the needs of a stable industrial workforce. On the other hand, whether manipulation of the planning and housing machinery of Local Government to cater for the interests of industry may elicit from industry a response which reflects a sort of mutuality of interests with the local community is one of the key issues arising from our study of this local authority's actions. As we shall see,
this question has its roots in the development debate and the role within that which has been ascribed by the County Council to the establishment of an industrial base in the area.

It is convenient to think of this study of Council behaviour falling into three main phases, the establishment of a development philosophy based on industry, then the articulation of that philosophy firstly in relation to the prospect of large-scale industrial developments (represented by aluminium smelters), and then in relation to involvement with the oil industry. I have here separated oil-related activities from other forms of industrial activity, although as I have indicated above, they received the same treatment from the Council on account of their being classed together as industrial activity. I have made this distinction on grounds of the particular demands presented to the community of Easter Ross from involvement with the oil industry - in terms not only of the rate and scale of developments, but also of the unpredictability which has characterised oil work throughout the north of Scotland. In a sense we have in the Council's response to oil-related developments the working-out of the extreme of the logic in their approach to industry which was established in the previous long number of years. Also, and again as mentioned above, we have in oil a most commercially-sensitive and politically significant industry - an opportunity to consider the validity of
the Council's belief in that mutuality of interests between industry and community (and the State) which provided the rationale for their administration of the local environment.

Detailed consideration has been given within this study to a series of planning and housing decisions during the period of the area's involvement with industry (including oil) as the articulation of Council policy. On the basis of this analysis we may then question the appropriateness of that policy and the Council's posture towards industrial activity in terms of the appropriateness of the environment which was created locally in interaction with incoming industry. The final chapter will be taken up with a discussion of whether, by adopting a different perspective on industry - a more critical response based on a perceived (historical) separation of interests between host community and incoming industry - the Council might have had available a realistic alternative response.

In terms of source material, this study will seek to relate contemporary material produced during the period of Easter Ross's involvement with industry to earlier material describing Ross and Cromarty County Council's attitude towards industry and to discussion of Highland development issues. Much has been written on the latter, which can be interpreted in terms of its relevance to
development theory, and the main issues are discussed in the latter part of this chapter as a means of setting the context for our later discussions.

In seeking to describe and interpret the realm of County Council policy which is at the heart of this study, we depend upon a number of sources, local and national newspaper accounts, public inquiry transcripts, County Council and HIDB papers and reports as well as interviews with selected individuals. In the recent experience of Ross and Cromarty County Council we are given an opportunity to consider the implications of a development policy based upon identification with the interests of industrial investment. The fact that these events are so recent presents certain difficulties, mainly in terms of selection and ordering of data. As far as documentary evidence is concerned, it must be remembered that none of it was produced for the purpose of this or any other research project, rather for particular policy reasons. Thus its use in advancing propositions within this study necessarily involves interpretation both of content and context. This is not peculiar to documents used in a contemporary piece of research, but in this case the interpretation is denied the benefit of a check in the form, for instance, of complementary pieces of research or literature. Selection and ordering of the data will be less amenable to verification, by such formal means at least. Here,
I shall rely on complementary sources of evidence - related papers, interview material etc - to verify my reading of the situation, and as a check, the one against the other. Obviously it is not possible to check and double check every piece of evidence obtained in this way. The individuals most closely involved, if available, have been consulted both on the detail and argument being offered here. They are in the best position to judge the veracity of this account, but they, too, must interpret its significance, and their memory of particular events will itself be biased in terms of personal commitment. Thus the historical account of what happened will involve an interpretation from the available evidence of what unfolded in the period of this study. It represents an attempt to understand the significance of events for those participating and to relate them to one another in a coherent fashion which is intelligible when matched against relevant sources of information.

In building up a picture of the Council’s attitude towards industry and its place within their development strategy I have relied heavily on newspaper material, both local and national. This attitude was articulated most clearly in relation to a series of episodes during the 1960’s when, ultimately abortive, approaches were received by the Council from firms entering the area. I have attempted to verify the newspaper accounts of these events through interviews with key individuals involved at that time, and the
report given in Chapter 2 is an amalgam from this process.

The Council's commitment to using their planning and housing powers as part of their industrial strategy was so strong that it has been expressed repeatedly as justification for their actions in these spheres. County Council members and officials were convinced of the need to follow a strategy of industrial development, and they readily supported planning or housing decisions which on other grounds might have been questioned, by describing their relevance to local policy on industry. The difficulty in reporting on key planning and housing decisions in relation to industrial development (Chapters 3 and 4) was primarily one of ordering a vast quantity of material in order to draw out the key issues. Public inquiries which were held into local planning decisions offer an invaluable source of original and contemporary evidence. However, the quasi-judicial setting of an inquiry inevitably offers evidence based upon conflicting analyses of key questions. In seeking to gain maximum value from this material for the arguments being developed in the course of this study, I have tended to adopt a simple 'reporting' style, treating the public inquiry itself as a public forum for expression of Council policy and arguments being advanced against it from within the community. It would take a separate study to analyse the role of the public inquiry in its treatment of particular issues within the process of local
Interviews with individuals involved in the episodes covered in this study have offered an important means of verifying evidence obtained from other sources. They have also provided an opportunity for developing further, sometimes tentatively, the arguments which I have felt were central to this study. Not all the interviews carried out were with individuals who had been personally involved in Easter Ross local politics at this time, nor did I attempt to interview all the individuals who might have been said to have played an important role. On this latter point, I have attempted to judge from the data when a personal interview would offer advantages. In the case of individuals whose role, responsibilities and line of reasoning have been well-documented and are clear and unambiguous (notably the County Convener, Rev. M.J. Nicolson) I have not found a need for additional explanations. Where, on the other hand, an individual's role and responsibilities have been represented in an ambivalent fashion, involving ambiguities which I have felt were germane to the issues at the centre of this study or where they have raised questions which have called for further investigation (good examples are Councillor John C. Robertson, or, objectors during public inquiries, local farmer, John Forsyth and his sister, Jean). More often I have relied on interviews as a means of obtaining information from individuals
who have not been reported elsewhere (for instance the personnel managers of incoming firms M.K. Shand and Highlands Fabricators).

When approaching individuals for an interview who were not involved in Easter Ross at this time, it has been in order to benefit from their professional judgement of particular events or of the Council's general approach towards industrial development. Here, the staff of the Highland Regional Council Department of Planning and Development have been most helpful, as have staff members of the HIDB.

In order that these interviews should achieve one or two functions and to gain as much as possible from them, I prepared a semi-structured interview schedule beforehand. This involved using as headings to guide our discussions three categories of issues: a re-stating of facts and arguments established thus far for verification; a range of issues, points of detail and tentative hypotheses related to the individual's personal knowledge and experience on which I would invite elaboration and correction; and a final category which I would try to organise in the course of the interview, involving lines of inquiry emerging from the interview itself which seemed to merit further investigation.

In reporting on this study, I have chosen to refer directly to interview material only to substantiate a point made from another source, or where such evidence has not otherwise been available.
Where I have had available an account of a particular episode in documentary form I have referred to that, rather than the post hoc account from the interview. Material produced at the time, whether in the form of Council minutes or reports, public inquiry transcripts or newspaper accounts has a particular integrity in relation to the discussions which I would wish to reproduce for interpretation.

The overall integrity of this study will, however, not rely simply on accuracy of reporting but on the appropriateness of the analysis which is offered. Here an interpretation is offered of a series of events affecting a particular Highland community. It is offered from a theoretical perspective which is critical of the role of capital in establishing structural relationships within the economy and of the role of the state (Central and Local Government) as mediators of this process. The adequacy of this interpretation will be judged by the coherence which has been achieved throughout the study in relating the specific discussion of Council housing and planning policy to their development ideology and to a more general study of approaches to development. It is this perspective which has most crucially guided both the selection and the interpretation of data. The individuals involved in Easter Ross Local Government during the 1960’s and 1970’s who, as we shall see, chose to adopt a generally compliant approach towards
industrial activity entering the area, might not identify therefore with the discussion which is offered here. It is put forward simply as a suggestion as to how the representatives of this community when faced with the prospect of industrial development might have responded differently, it is suggested, to the benefit of the community.

Easter Ross - Ambitions of Industrial Development.

The town of Invergordon (see map 2, page 4) has been central to attempts to bring industrial development to the north of Scotland for most of this century. Located on the northern shore of the Cromarty Firth, the town grew up on the strength of local flax-spinning activities. As Varwell has observed, Invergordon's early fortunes were firmly linked with those of the flax spinners and weavers who worked to supply the demands of the market in the more populous industrialising south:

"Thus at the end of the 18th century, Invergordon was a modest industrial town firmly tied to extra-local markets in a satellite relationship, yet not without hopes of further aggrandisement in the future..." (Varwell, 1975, p.13)

Since then, various schemes have been mooted for the town, including one from a local estate owner, to create in Invergordon a marina and holiday haven - a Brighton of the north. By the beginning of this century, however, it was upon her potential as a port that
Invergordon had come to depend. During the First World War, on account of excellent harbour and anchorage facilities, Invergordon became established as a busy naval base. Then came the 1920’s post-war slump, which was suffered most acutely in those communities which had been tied most closely to war work. Thus, the out-break of World War II brought relief to a depressed Invergordon, with the expansion of employment opportunities again on the strength of the town’s importance as a naval base.

With the end of this next war the County Council of Ross and Cromarty turned to develop the potential in peacetime which war had revealed Invergordon to possess. The Council’s concern to attract new employment to the area was shared by many other areas in post-war Britain, notably those heavy industrial areas which sought to move from involvement in armament and munitions works towards the lighter industries of post-war reconstruction. In 1946, when the Secretary of State for Scotland announced plans for the construction of New Towns to house the new light engineering and electronic industries and their workforce, Ross and Cromarty County Council set out to grasp the opportunity. In November of that year their newly-appointed Planning Consultant prepared a report for the Council outlining proposals for the construction of a New Town in Easter Ross to act as a centre for future industrial development. The report was approved by the County Council and
submitted forthwith to the Secretary of State, but to no avail. At the time, in 1946, the area around Invergordon had still not been designated a Development Area - a prerequisite for assistance for New Town construction. Their plans were shelved, but the Council had served notice of their hopes for the area, a major industrial development centred on Invergordon. From the start, they based those hopes upon the attractions they believed the area presented to incoming industry - the availability of a well-equipped deep water harbour, abundant supplies of fresh water for power and other industrial use, large open areas of land suitable to industrial development and other natural amenities.

As the Council turned their attention to the industrial potential lying in Easter Ross, the idea caught the public imagination. Local people could remember the prosperity which increased activity during war time had brought to Invergordon. They needed no convincing of the area's attractiveness as a site for industrial development. The pages of the local newspaper, the Ross Shire Journal, spill over with references to a future based on industrial wealth. When in 1947, the firm of Albright and Wilson submitted proposals for the construction of petro-chemical works in the area, those hopes seemed to be on the brink of realisation. The County Council gave an enthusiastic welcome to news of the project, but in the absence of Government inducements to locate in
the area, the firm's interest diminished, eventually to vanish. This disappointment for the Council was followed by a further ten years of bitterness and frustration, as their hopes for Easter Ross came to nothing, the occasional interest appearing, only subsequently to vanish as had the Albright and Wilson scheme.

Meanwhile the rundown in defence installations and related work continued relentlessly, as did the drop in local employment and living standards. As vivid as the prosperity of wartime opportunity was in the minds of local people so was the hardship of the 1920's and 1930's, the interwar years. Looking forward, they could only see the spectre of a recurrence of that hardship. Large numbers decided to move from the area in search of work, a choice which had been taken by thousands in generations before them and which was taken as the signal element in the Highlands' malaise. Taking the County as a whole, between 1951 and 1961 in the age groups 15-30 years there was a nett loss of 3,737 - 29% of the total of those age groups residing in the County in 1951. In all, close to four and a half thousand people left the County during this period. (Census Returns, 1951, 1961)

When a County Development Officer was appointed by Ross and Cromarty County Council in 1958 he was instructed as a matter of priority to draw up a Development Plan for the County, outlining land use priorities to guide future planning. In their County
Development Plan the Council indicated their intention of bringing industry to Easter Ross as a means to off-setting depopulation, migration and unemployment levels in declining traditional activities (agriculture, forestry and fishing). They drew attention to those features which, they said, established the Invergordon area as a prime site for industrial development, emphasising their commitment to realising that potential. In this, they explained, they sought only to develop the potential of this particularly favoured area so that the benefit would flow eventually to other parts of the County. The Council took the view that if Highland communities were to continue to decline, it was better that population movements should be towards this area within Ross Shire rather than outwith the County altogether. Thus they appealed to Central Government for support for their cause in the competition for investment capital:

"...Invergordon offers a combination of facilities for moderate to large industries in the north, and if it were in the National Interest to assist such developments in the Highlands, this would be the best site." (County Development Plan, 1964)

Even before their Development Officer had finalised the County Development Plan, Council hopes were again raised, when they received an approach from another firm with proposals for the construction of a petro-chemical industry at Invergordon. Although these proposals failed to extend beyond the stage of an initial
inquiry, they were enough to sustain the Council's belief in the area's potential as an industrial location - a pattern which was to repeat itself many times in Easter Ross.

In the unfolding of the Council's commitment to developing the industrial potential attributed to the area around Invergordon, we have the stage set for Council action during the period at the centre of this study, when oil-related developments arrived dramatically on the scene in Easter Ross. In order to understand fully the reasons behind Council actions and the difficulties which the Council faced, however, we must first of all examine the wider context of Highland development efforts from which Ross and Cromarty's County Council took their lead.

**Ambitions Reinforced - Highlands Growth Centre.**

For as long as the Highlands have featured in Central Government initiatives in regional policy, the Moray Firth area, including Easter Ross, has been singled out for special attention. This has been the case particularly since the establishment of the Highlands and Islands Development Board (HIDB) in 1965 and the identification of three Highland Growth Centres, with the Moray Firth as the most prominent. (HIDB, 1966, pp16-18)

In the first place, the Highlands were rather "tagged on" to
regional policy measures introduced to address the problems of distressed urban areas with high levels of unemployment and low or declining rates of economic growth. After the Second World War, political pressure for redistribution of income and a reduction in deprivation, adoption of Keynesian economics and the principle of full employment, along with the growing recognition that certain of the key primary industries were becoming increasingly unviable, while Britain's impact on the overseas market grew less rather than more significant, led to the identification of Development Areas in the Distribution of Industry Act of 1945.

In 1948 the Inverness-Tain area was included in this plan with the intention that by the concentration of resources in one relatively more favoured part of the Highlands, local development would be achieved more efficiently than if resources, in terms of financial inducements, capital subsidies etc., were scattered widely throughout the Highlands, where the chances of success in any single area would be poor. In the words of the 1948 White Paper, which were repeated and reinforced in a further White Paper in 1950:

"There is a case for making Development Area powers available in a district chosen because of its suitability as a focal centre of industrial development for the Highlands as a whole and not merely because of its local unemployment." (Cmnd. 7976, 1950)

The Moray Firth area was again identified as the area within the
Highlands offering greatest "potential for consolidation" in the later White Paper, "The Scottish Economy 1965-70(2), the nearest there has been to a National Plan for Scotland (Cmd.2864, 1966). No reference was made within this White Paper to the means by which that potential might be realised, but the Highlands and Islands Development Board which came into being in 1965 quickly established the Moray Firth as an area of vital importance to its strategy for developing the Highlands.

A major tool in the Board's approach to the task of Highland development was to be the promotion of growth centres, of which three were identified. These were the areas within the Highlands which were felt to offer the best prospect of industrial development, the benefits of which would subsequently flow to the surrounding, less appealing, areas. The three areas which were chosen very early in the life of the new Board were Caithness, the Lochaber area in the west and the Moray Firth area, which was said to be the most important of the three. Together they contained 44% of the Highland population and 52% of employable Highland labour. The Moray Firth area alone accounted for 33% of the Highland workforce.

The Board's decision to promote a policy of growth centres within the Highlands(3) was based in part on their observation of Norwegian experience and the identification of the "cornerstone industry". Anticipating real difficulties in introducing industry
to a remote rural area like the Highlands, their objective was the attraction of one major industry into the area. (HIDB, 1967) In economic terms it was hoped that this would provide the basis upon which related secondary industries might come to the area, and also establish the area's credibility to other unrelated industries. Board Chairman, Robert Grieve, described the importance of establishing this initial industrial base: - he called it the "follow-my-leader phenomenon". (Grieve, 1968) "In the past this has been one of the greatest obstacles to Highland Development - I mean the lack of an industrial base. Once you get in, the job of getting the second and subsequent ones becomes easier and easier". (Grieve, op.cit)

The idea of the cornerstone industry, the first new enterprise which would serve as a catalyst for sustained industrial growth, was applied in particular to the Moray Firth with, at its centre, Easter Ross and the sheltered harbour and attractive landfalls at Invergordon:

"...We thought that the best thing to do would be to concentrate a major effort in getting development to places like the Moray Firth - which has all the attributes necessary for industrial activity - our thinking was that if we could land the big fish here then the job of getting others to come would be much easier." (ibid)

Thus, from the beginning, the Board established its commitment to Moray Firth Development (M.F.D.) as the lynch-pin of its plans for
the Highlands, "a regional development scheme with an industrial base":

"we will do our utmost to generate major growth points, involving substantial increases in population wherever the natural advantages of the area seem to warrant it; the Moray Firth is unquestionably the most important of these areas." (HIDB, 1966, p.17)

Board representatives spelt out the significance of their strategy for other parts of the Highlands:

"...We were convinced that M.F.D. would make real development and growth in other Highland centres more practicable and more probable and that it would promote confidence in the future, the lack of which had been a very real hindrance." (RJ, 2.6.67)

For the Moray Firth area specifically, and especially that area around Easter Ross, the intention was to bring in manufacturing industry to remedy an imbalance affecting the whole Highland economy, in which manufacturing industry was "poorly represented". Approached as a matter of urgency, this would establish "a major centre of modern job opportunity" to "stem a substantial proportion of the emigration of talented sons and daughters from the Highlands and Islands". It was said that new industrial opportunities would re-vitalise local life, "providing more of the kind of skills and initiative which will breed new enterprises and broaden the range of social and cultural leadership". (HIDB, 1966, p.4)

In choosing a growth point policy, the Board were very much
following the fashion in regional policy in the early 1960's. (see McCrone, 1969) In reality, however, the Board's promotion of growth areas involved a significantly lesser commitment than the organised provision of municipal infrastructure to induce growth in favoured areas which the concept involved elsewhere (See Perroux, 1964). It also lacked background analysis of the economic, as opposed to physical, implications of a policy of concentration. The Highland Board in reality possessed neither the power nor the budget for more than the most superficial intervention (4). As Board representatives explained:

"growth points were areas where the Board concentrated promotional activities and which the Board suggested to develop as promising locations."
(Adams, 1974, p.173)

The Highland Problem.

In its choice of the Moray Firth as the base for its plans for Highland development, and within that the Easter Ross area as the centre for its future hopes, the Board effectively set its seal on Ross and Cromarty County Council's hopes of attracting industry to this area. In its promotional role, the Board complemented the Council's own attempts to sell the area as an attractive investment for incoming industry. More than that, it articulated a particular ideology on development with which the Council identified uncritically, so that large-scale industrial development was to be
the objective for Easter Ross.

The Highlands and Islands Development Board came into being after a prolonged argument of roughly a hundred years' duration over the need to 'do something for the Highlands'. In that time perception of the Highland problem and its solution have altered under the influence of changes taking place in regional measures nationally. At all times, however, the central concern has been for the levels of depopulation persisting in the Highlands, so that in his First Annual Report Board Chairman Robert Grieve could set down his priorities:

"No matter what success is achieved in the Eastern or Central Highlands, the Board will be judged by its ability to hold population in the true crofting areas." (HIDB, 1966, p.5)

As an indication of the steady decline in population throughout the Highlands in the 19th-20th centuries, Tony Mackay has calculated 1971 census figures against peak population levels in each of the Counties, as follows (Table I):
### Table 1: 1971 population totals as % of peak population levels in Highland Counties

<table>
<thead>
<tr>
<th>Highland County</th>
<th>Peak Year</th>
<th>1971 total as % of highest population level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ross and Cromarty</td>
<td>1851</td>
<td>70.6</td>
</tr>
<tr>
<td>Inverness Shire</td>
<td>1841</td>
<td>92.0</td>
</tr>
<tr>
<td>Caithness</td>
<td>1861</td>
<td>69.8</td>
</tr>
<tr>
<td>Sutherland</td>
<td>1851</td>
<td>50.9</td>
</tr>
<tr>
<td>Argyll</td>
<td>1831</td>
<td>59.4</td>
</tr>
<tr>
<td>Orkney</td>
<td>1861</td>
<td>53.3</td>
</tr>
<tr>
<td>Shetland</td>
<td>1861</td>
<td>55.5</td>
</tr>
</tbody>
</table>

(Source G.A. Mackay, 1973, p.22)

As Mackay has also shown, movement away from the Highland Counties has been accompanied by movement within the Highlands away from the landward areas and from employment in declining primary activities towards the towns in the region. (Mackay, op. cit.) This has brought important implications for the Highlands, with twice the population (10.7%) engaged in primary industries (mainly agriculture, fishing and forestry) compared with the Scottish rate (5.4%); only one third of the Scottish involvement in manufacturing industry (Highland 11.7%; Scotland 34.9%); and a significantly
greater dependence on service activities (Highland 63.3%; Scotland 50.8%). As Mackay has observed there is within the Highlands a great dependence on service activities such as infrastructure provision, transport etc., which are themselves highly dependent upon Government grants, and on the "unstable" tourist industry. (ibid)

Throughout this century, the case developed for the establishment of a special agency to tackle the peculiar problems of the Highlands, with the Liberal Party as the champions of this cause. Urged on by Highland depopulation figures, and encouraged by the introduction of Government support in depressed industrial areas in the inter-war years\(^5\), they called for the harnessing of national resources to help the Highlands:

"In short, so serious is the position into which the Highlands have fallen from the past neglect or misuse of its resources that in effect the Highland area requires now to be treated as an undeveloped colony. The task is too great and too important to be left to the unregulated and unco-ordinated enterprise of private individuals. Success can only be ensured by a national effort such as has been made in the development of our colonies and mandated territories." (SLP, 1928, p.345)

The Liberal Party were eventually joined by the Labour Party and the STUC in pressing for the creation of a Highland Development Agency. Then, after the 1964 General Election in which the Conservatives were defeated, losing three out of their four Highland seats to the Liberals, the incoming Labour Government
initiated legislation which resulted in the Highlands and Islands Development (Scotland) Act in 1965. The Highlands and Islands Development Board was appointed, setting up office in Inverness in the autumn of 1965 with the following remit:

"For the purpose of assisting the people of the Highlands and Islands to improve their economic and social conditions and of enabling the Highlands and Islands to play a more effective part in the economic and social development of the nation,..."

The new Board was greeted by those convinced of the need for radical action as "the last chance for the Highlands". (R.J., 4.5.66) It was looked to for reorganisation of social relations within the area, which have ensured that development of the area's resources should be channelled to the benefit of a powerful few. Indeed, Secretary of State Willie Ross, speaking for the Labour Government of the day seemed to promise radical action on land in the Highlands:

"We plan a Highland Development Authority whose initial concern will be the proper use of land. We will not tolerate hindrance by those selfish feudal interests concerned only with deer, grouse and salmon." (Secretary of State, W.Ross quoted in New Statesman, 29.7.69)

(Indication of the extent of domination of the area by a narrow band of interests has been provided by John McEwan, who has recorded that one hundred and forty individuals or companies own just under half the land in the Highlands and Islands. (McEwan, 1975)) The Board was
seen to offer a real working alternative to "the sort of faint-hearted political expedient that has all too often been substituted for policy in the Highlands". (Magnusson, 1968) Certainly, with the powers it had been given, the Board seemed capable of affecting far-reaching reform in the social and economic life of the Highlands. It could acquire land by compulsory purchase, buy or set up its own businesses if private enterprise appeared laggard, carry out public works, provide technical or advisory services, raise and invest funds at its own discretion and allocate grants and loans from its own budget.

However, underlying the creation of this new body was a set of assumptions concerning the nature of the Highland problem which determined that the Board should never be the radical agency of reform described by former Secretary of State, Michael Noble, as a measure of "pure Marxist ancestry" (Alexander, 1965). These combined with developments taking place towards economic rationalism in UK regional policy to establish that the Board in fact assumed a most conservative role in Highland administration.

At the time it was established, the Highland Board represented the latest in a series of Government attempts at intervention in the Highland economy. The Board reflected the history from which it had emerged in terms of its reading of the Highland problem and its objectives for Highland Development. In the Board's actions we see
therefore two major strands which have dominated interventionist measures affecting the Highlands since the first attempt at Highland administration, towards the end of the nineteenth century. These are the need to retain a significant Highland population, and the related need to compensate for weaknesses within the area's economy which are believed to have militated against its full participation within the market economy. Efforts first to win a place for the Highlands in British regional policy and latterly to define the role of the new Development Board have emphasised the area's dependence upon a declining primary sector and service activities, also the failure of a manufacturing base to develop in the area, as the reason behind the steady population loss. In the assessment of the HIDB, the Highlands' economy was pre-industrial, in that it had not yet been touched by the modernising force of the market, viz. manufacturing industry. (HIDB 1966, Foreword) Accordingly, the remedy was seen to lie in the introduction of industrial activity to the area.

Yet as Robert Moore has pointed out, and as we shall see in the following pages, the development history of the north of Scotland "has been as an integral part of British capitalism" (Moore, 1978). The result of a view of the Highlands as pre-industrial has been to choose a route to development through industry, ignoring the area's relationship to the wider economy. As we shall see, this has led to
the effective insulation of those forces which have historically dictated the area's fortunes. To this extent it has to be said that the Board, despite all the claims made for it when it entered the scene, has been profoundly conservative of the status quo and of the Highlands' position within the structure of the UK economy.

**Intervention in Highland Affairs - The Crofters Act.**

The 1886 Crofters Act was the first Government attempt at intervention in the Highland economy. Indeed, the term "the Highlands" first came into use in the grouping of the seven northern counties in which the principle form of land tenure is crofting in an attempt to alleviate the crofters' problems after the Highland Clearances. During this period Highland landlords displaced their tenants from their land, replacing them with sheep to satisfy the demand for food from the urban markets in the South. David Turnock has pointed out that the Highlanders' experience was "by no means a unique phenomenon":

"Throughout Britain small farmers were being forced off the land during the agrarian revolution to make way for larger commercial units, whose greater food output was urgently required by a rapidly industrialising society." (Turnock, 1970, p.36)

It was the absence of an alternative activity to which they could turn that made the crofters' plight so dire (Hunter 1976), that and the suddenness with which the winds of market choice had
swept through the Highlands. Within living memory they had been asked by their landlords to supply new demands for Black cattle for southern markets, then for kelp for industrial use, and now even the value of their labour was less than that to be gained by landlords replacing them with herds of sheep. Displaced from their land, large numbers emigrated from the Highlands to the New World. Others settled in areas to the south or around the coastline, turning their hand to new activities. Some settled in the coastline around the Moray Firth area not under pressure as sheep territory.

The betrayal of traditional obligations ran deep in the Highland consciousness. Bonds of loyalty to their landlords and erstwhile feudal superiors, exploited by landlords engaging with the urban markets, had protected them somewhat against criticism but as Hunter has put it in describing the Clearances:

"To crofters, past and present, they are explicable only as a brutal act of betrayal of traditional custom and belief, a reckless assertion of the interests of the few at the expense of the many". (Hunter, op.cit., p.215)

So great was the rancour expressed by betrayed and disillusioned Highlanders, so abject their poverty in the absence of any viable cultivable resource, that Central Government stepped in to consider the area's plight. The Napier Commission was set up, reporting in 1884 on the lot of the crofter:

"The population belonging to the class of crofters
and cottars engaged in agricultural and pastoral pursuits, in addition to the evils attached to an unproductive soil, high elevations, and a variable and boisterous climate, suffer from several causes of indigence and discouragement, and irritation, which are subject to remedial treatment. These may be enumerated as follows: undue contraction of the area of holdings; insecurity of tenure; want of compensation for improvement; high rents, defective communications; withdrawal of the soil in connection with the purposes of sport. To these we may add, as contributing, in our opinion, defects in the machinery of justice, and want of facilities for emigration." (Cmnd. 3980)

The Napier Commission recommended the encouragement "firmly but gently" of the smallest tenants away from the land, fearing future overcrowding and the progressive pauperisation of crofters. It also suggested amalgamation and consolidation of existing holdings to form units of a size capable of supporting a tenant and his family, along with the introduction of measures which would protect his claim over the land. The findings of the Napier Commission were taken as the basis for the Crofters Holdings Act two years later in 1886, but where the Napier Commission had sought to find ways of relieving the economic pressures on the crofters the new Act concerned itself solely with the injustice and cruelty they had suffered. Reacting against the evictions of the Clearances, the Act therefore provided crofters with greater rights over their land and heritability of tenure.

By responding as it did to the social injustice suffered by the
crofters, the Act gave no attention to the effect of the market's demand for cyclically popular resources on the Highland economy, or to the landlords' activities as mediators. The economic position of crofters was ignored, the vulnerability of crofting as a way of life maintained. Farquhar Gillanders has commented on the impact of this legislation concerned as it was only with the social effects of the crofters' experience:

"The 1886 legislation heralded the doom of crofting as a way of life insulating it almost completely from normal economic trends and legally, (his emphasis) ensuring that crofting land could not be developed into viable economic units." (Gillanders, 1968)

This criticism is supported by Prattis in his study of the "Economic Structures in the Highlands and Islands":

"...while preventing further injustice and cruelties the act did nothing to alleviate the desperate economic situation of the crofting population, or to alter the manner in which the Highland economy was integrated into the national economy. The same economic structure of disadvantage persisted with poor tenants allocated a measure of security within these contraints of disadvantage." (Prattis, 1977, p.25)

The Crofters Holding Act set the pattern for intervention in the Highlands, in that the emphasis of policy measures has lain persistently upon the need to retain population in the area. The objective of Government policy in relation to the Highlands was expressed in the 1950 White Paper:

"Fundamentally, the Highland problem is to encourage
people to live in the Highlands by making it possible to secure there in return for reasonable efforts, proper standards of life and the means of paying for them." (Cmnd. 7976)

In the absence of any examination of the social and economic relations prevailing within the Highlands or the area's relationship with the wider economy, measures were designed to redress their effects, in demographic terms, as a political choice. Government support was given to the area's failing primary industries and to the provision of public works (principally in relation to the development of Hydro-Electric Power) - actions which prompted the comment from economists such as Donald MacKay that the economic choice would actually be for a reduction in the Highland population. (MacKay, 1965) It is to the absence of economic analysis shown in socially - or politically - inspired Highland development initiatives that MacKay has drawn attention, asking that cognisance be taken of the economic cost of meeting the social objective of retaining a Highland population. MacKay's argument, which he repeated with Buxton (MacKay & Buxton, 1965) concerns the competing claims of the North-East for Government support, an area which, it is suggested, offers a better economic prospect for intervention but is denied the opportunity, lacking the necessary political support. His comments are apposite here, because they remind us of the need to have regard for the economic implications
of policy measures which, although motivated by socio-political considerations are acted out in the economic sphere. What is the point, he asks, of a policy based on subsidising a primary sector which continues to show a steady decline in employment terms - especially when the object of policy is to create employment opportunities? Thus, he asks for a thorough assessment of the economic structure of the Highlands, from which future policy measures may be derived, rather than the "temporary palliatives" designed in the short run, which had characterised Highland development initiatives hitherto. (Mackay, op.cit., p.76)

The failure of policy measures in the Highlands to make any significant impact on the economy of the area has been noted by others. In a study of "Investment, Employment, and Government Expenditure in the Highlands, 1951-1960" Simpson observed that;

"Although the Programme of expenditures undertaken by the government since 1950 has provided a measure of social overhead capital and established hydro-electric generating and transmission capacity, the secondary investments of a directly productive nature have failed to materialise. In the absence of such developments, the economic benefits which accrue to Highland residents from this infrastructure are negligible." (Simpson, 1963, p.279)

Simpson also blames the ineffectiveness of policy measures on a superficial reading of the socio-economic structure of the area so that shoring-up traditional patterns of activity is taken as the basis of policy initiatives - in MacKay's words, "the existing
population distribution was, and still is, taken as datum, as is the existing occupational pattern. (op.cit, p.76) The failure of Highland development to attain its objectives is attributed by Simpson to a piecemeal approach to the area on the part of Central Government, and "an economic policy which is inconsistent and inefficient." (Simpson, op.cit., p.275):

"inconsistency in government expenditures can be traced to the notion that the economic problems of the Highlands are independent of one another. Inefficiency is evidenced in the direction of Government expenditures to the declining traditional industries which afford neither profit nor employment to the Highlands, at the expense of industries which provide employment and the prospect of eventual profit." (ibid, p.279)

Despite the failure of policy measured in the Highlands, at least up to the mid-1960's, to encompass anything more than the most superficial reading of the area's internal economy or position within the wider economic structure, they inevitably held important implications for the area's future economic experience. Writing in 1951, Noble had described the results of an uncoordinated, piecemeal approach to the Highlands:

"In the result, large sums are poured into the Highlands in various forms without any machinery being created to ensure that their expenditure is an efficient investment in the productive capacity of the region which will ultimately increase its capacity to export and/or decrease its dependence on imports." (Noble, 1951, p.211)

The effect of measures introduced in the Highlands has
therefore been effectively to maintain the status quo, so that those depending upon subsidy or Government assistance are confined within the parameters which established their position of weakness in the first place.

An Underdeveloped Region?

To some extent one must account for the lack of concern for economic factors shown in early measures in terms of the immaturity of the argument. First of all, the proponents of Highland development have had to establish the case for intervention; the form of intervention could be worked out later. Nevertheless, the understanding of the Highlands which came to be adopted as the rationale of the new Highlands and Islands Development Board held profound implications for the work it set itself and for its impact on the social and economic life of the area. Previous efforts, which had been concerned to establish and to treat the Highlands as a special case, were rejected. The problem, it was now said, was the Highlands' failure historically to attain to integration within the modern market economy of the UK.

Implicit in Government statements relating to the Highlands up to the mid-1960's when the Highland Board was formed, was the view that factors within the Highland economy and archaic attitudes had served to prevent the area adapting effectively to the demands of
the market. High levels of unemployment and low income, along with a high incidence of out-migration by the young in search of work, were attributed to an over dependence on out-moded traditional primary industries in this laggard sector of the economy. Intervention was aimed at compensating for weaknesses within the area's economy through the introduction of capital projects or public works to support a population in the area.

In the 1966 White Paper on the Scottish Economy, the root assumption underlying these measures was given expression. It rejected earlier policy measures which had sought to support declining activities in the Highlands only in order to hold the people there, offering instead new prescriptions from a different perspective. The Highlands, it said, had been retained in some traditional or pre-economic state, insulated from the developing forces of the market - insulated by a series of protectionist measures from full integration within the national economy. Support for this view came from the respected and influential informers of Scottish policy, Turnock and McCrone, both of whom identified with the theory that the Highlands had never attained to full integration into the modern economy, represented by the market. McCrone included the Highlands in the category of underdeveloped rural regions showing the following characteristics:
"Agricultural regions, untouched by industrialisation, which as national income rises, cannot provide their population with living standards comparable to the rest of the country." (McCrone, 1969, p.14)

Acceptance of the view that the Highlands constituted a backward area in need of incorporation into the wider economy brought special implications for the nature of Government involvement in the area through the Highland Board. Said first Chairman of the Highland Board, Professor Robert Grieve;

"The job (of Agencies like the Board) is to tackle areas of their countries that the various revolutions in agriculture, industry and technology have passed by." (HIDB, 1966, Foreword)

The task facing his Board was "to bring the centre of gravity further up Britain" (HIDB, 1968, Foreword), by means of effecting an industrial revolution in the area - somewhat late in the day, but in view of that fact, by the shortest route possible. This would be achieved through the introduction of large-scale industry at selected key points, whose effects could be expected to spread into the farther reaches of the Highlands. For the new Board, following a policy of industrialisation, the resulting reorganisation in the pattern of Highland living with the involvement of manufacturing industry would show the marks of modern society. Moray Firth Development, based mainly on the attractions offered to industry by Easter Ross, was the outcome (HIDB, 1966, 1967)
This view, of the need to effect a transition in the Highlands, from traditional to modern (read 'industrialised') society, can be criticised on a number of counts. The suggestion that the development process is marked by the replacement of so-called traditional patterns of action, values and belief with modern ones, and that the transition to modern society may be obstructed by the retention of social, political, cultural or institutional habits from the traditional world is a gross simplification. Frank and others have noted the coexistence in many societies of 'traditional' and 'modern' features. Japan is an excellent example, where traditional norms of ascription remain important in structuring industrial relations. (Frank, 1969, p.26) While it is not incompatible with the development of market relations that traditional values or patterns of relationship should persist (Webster 1984, p.58), it has still to be said that Highland society is clearly not a feudal residue, held back from engaging in the modern market economy. As we have seen, and as Hunter and Carter have demonstrated (Hunter, 1976; Carter, 1974), the Highland economy has been thoroughly integrated within the market. The area has, with the rest of the UK, been profoundly involved in the development of capitalism.

The equation of development with industrialisation assumes the existence of a discrete ideal concept of development, policy
initiatives would suggest the western industrial pattern, towards which all societies would progress, if they could. Bernstein, writing of relations between metropolitan economies and the Third World, has described the inappropriateness of evaluating societies generally in terms of their likeness to Western economies enjoying a high rate of growth, and marking out for them a unilinear, unidirectional road to development:

"developed societies cannot offer any final criterion for development (that is to say, historical futures for other societies) any more than the history of their emergence provides "models" of necessary, possible or desirable change for underdeveloped countries to emulate." (Bernstein, 1973, p.24)

The mistake of approaching societies as if they are basically the same, only requiring to be brought closer to the ideal, is underlined by Eric Wolf, who emphasised the importance of taking account of the particular historical processes from which societies emerge; "every society is a battlefield between its own past and its future". (Wolf, 1959, p.106) Dos Santos, in his critique of this classical understanding of development has drawn attention to its ahistorical character;

"Historical time is not unilinear and future societies will not be able to attain stages reached by other societies at a previous time. All societies move together towards the future and new forms of modern society. The historic experience of developed capitalist societies ... constitute options no longer open to underdeveloped countries of today." (Dos Santos, 1969, in Bernstein, 1973, p.59)
Definition of the Highland problem as "isolation from those market forces which govern the rest of Britain and which would transform the Highlands if once they came to operate there" (Carter, 1974), ignores the historical development of the Highlands and of relations between the Highlands and other parts of the economy. It ignores the particular form of social organisation within the Highlands, in which control and initiative over the development of the area's resources have been retained in the hands of an elite whose motivation has been supplied by the demands of external markets. It ignores the domination of the Highland economy by other stronger sectors of the wider economy.

The result of treating the Highland problem purely as a problem of the internal economy of the area, to be subjected to straightforward economic analysis, ignoring the processes which have brought the economy to that stage and which continue to prevail, is no change. Those forces within the social organisation of the Highlands and the wider community continue to dominate the area. Its relationship with the external economy continues to be one of weakness and subordination, waiting for intimation of some new demand which it can satisfy for a time. Its experience is of the extraction of its resources through primary industrial activities or the imposition of temporary large-scale construction projects (e.g. construction of the Caledonian Canal, or the installation of
Hydro-Electric Power). These become exhausted, reach an end, or simply cease to be viable, leaving in their wake no autonomous economic growth within the area.

On this view, only the most superficial marks of the area’s marginality (See Klaassen 1965) are taken as the object of policy measures, its low growth rate and economic activity and its geographic remoteness from centres of population. (Prattis, 1977, pp.32-33) The processes and power relations with the wider economy which may have contributed to the area's marginality do not come in for consideration (Mackay, 1973 pp.23-24)

It is more productive in examining the Highlands' experience, or that of any other discrete region or nation to work from a perspective based on the one-ness of the world economic system, in which the different parts are in a relationship of interdependence. From this view, the development internationally of the capitalist system has resulted in a differentiation between countries which reflects their different function and relationship within the system as a whole. Thus it is possible to distinguish between dominant and subordinate sections of the international economy where the dominant sector exercises initiative and control over activities within the subordinate or dependent economy. Dos Santos has offered a helpful perspective on these concepts:

"A relationship of interdependence between two or
more economies or between such economics and the world trading system becomes a dependent relationship when some countries can expand through self-impulsion while others, being in a dependent position, can only expand as a reflection of the expansion of the dominant countries." (op.cit., p.76)

In his work on Latin America, Frank has identified relationships of dominance and subordination between metropolitan centres and their satellites. (Frank 1969b) The international class divisions which he identified as a reflection of the operation of capital, largely through the activities of multi-national companies, has been given a more specific focus by Moore in forming the theoretical context for his study of oil-related activities in the North of Scotland. Moore has developed the rather static, almost deterministic, view of Latin American underdevelopment offered by Frank to consider the form of relations prevailing historically within the Highland periphery of the UK economy. He has applied this theoretical framework to a study of the area’s experience through the introduction of oil-related developments in the early-1970’s. (Moore, 1978) Moore has demonstrated the conditions of dependence upon and domination by external markets and landlords, concentration on capital projects, the absence of autonomous economic growth, the failure of labour to organise effectively under control of external interests, and the reinforcement of these in the exercise of local political power and traditions of
passivity. Alongside this he (also Carter and Hunter ops.cit.) has observed the intermediary role taken over by local elites who identify with the interests of the dominant sector in the shape of incoming industry and who facilitate its development in the area. At different times and in different parts of the north the position of intermediary - in the language of dependent development, 'comprador (literally 'interpreter') bourgeoisie' - has been occupied by local landowners, businessmen and local politicians. The existence of this group who smooth the passage into an area of the interests of capital is a classic feature in analysis of dependence. (See Webster, 1984, pp.84-91)

Dos Santos has set the theory of dependent development in context:

"Just as the study of capitalist development in the hegemonic centres give rise to the theory of colonialism and imperialism, so the study of development in the underdeveloped countries of today must give rise to a theory of dependence. (Dos Santos, op.cit. p.73)

Analysis of the Highlands economy in terms of dependence offers a context in which we may understand the pattern of development which was unfolded there. We can see, for instance, the crofting system of land tenure as a response to the tensions created by industrialisation in the 18th and 19th centuries and the incorporation thereby of the Highlands into capitalist society.
(Carter, op.cit.) We can see the Highlands as an area of dependent development, incapable of self-sustained growth based on indigenous resources because of the area’s social, economic and political subordination to other regions. (Moore, 1982, p.23)

For the purposes of policy analysis, appreciation of the relationship at work within and between economies points to the need for sensitivity for the social and economic relations which form the context of the particular economy which is taken as the object of policy. There is also the need to be aware of the historical pattern of relationships from which the contemporary economy has emerged. Quijano has emphasised the importance of these factors in establishing the context for any interpretation of a society’s economic experience:

"The total problem of the historical development of our societies is radically affected by the phenomenon of dependence, which is not an external point of reference but rather a fundamental element in the interpretation of our history." (Quijano, 1967, p.5)

Failure to address the Highland’s experience within the wider economy, and the adoption instead of a view of the area as a distinct economy, isolated socially and economically from the dynamic industrial centres of the UK have had important implications with regard to intervention strategies in the Highlands. The view of the area as a backward nether-region, historically and culturally
distanced from the development of capitalist society has led to policy initiatives designed to bring the Highlands into modern society through the introduction of industrial development. Consideration has not been given for the purposes of Highland development policy to the relations which are forged for the area within the wider economy through its involvement with incoming industry.

The result has been to insulate those power relations which have ordered the economic development of the area thus far, so that the Highlands continue to be dominated by the demands of external markets with little local benefit in terms of autonomous economic growth. The historical exploitation of indigenous Highland resources, and the area's long-standing failure in the development of locally-based capital or technological activities are reinforced. So, too, are the continued domination of the area by external social and economic interests, and its vulnerability to market vagaries and boom and bust cycles. (Moore, 1982, p.35) The political will, identified with the interests of capital, thus the dominant (metropolitan) centres of the economy, dictates that this should be so. A peripheral area like the Highlands is a casualty of progress within the capitalist system that is the UK economy (and recently within the world system which encompasses the interests of the oil industry), with the excesses of the market offset
occasionally by piecemeal intervention on the part of central Government (IDS, July 1977)

An Alternative to Dependence.

For writers on dependent development (see for example, Frank 1969, Bernstein, 1973), who see in the injection of capital from expansive sectors of the (international) economy the road to domination and exploitation of a local (peripheral) economy, the solution lies in the overthrow of the mediator class, 'the comprador bourgeoisie', who act as local agents on behalf of the interests of capital expansion. These mediators identify with the political and economic forces behind the spread of industrial activity from the advanced to the traditional or marginal economy, and through their activities within the structure of the local economy and political life, pave the way for the introduction and development of new industrial activities within their area.

Control over investment and other areas of decision making which set the parameters of industrial activity is retained at the centre of operations and is directed to protect and serve the interests of capital. Within this matrix the local economy finds itself established as a branch of the international capitalist system. The ordering of priorities within local social and economic life will therefore be dictated likewise by the interests of
capital. Thus, in seeking to tackle the phenomenon of dependence, emphasis is placed upon development based on autonomous economic growth, on self-sufficiency, the development of low-technology activities and subsistence agriculture.

In his critique of the HIDB Ian Carter has challenged the Board for its failure to perceive the two facets of its responsibility\(^8\), the improvement of Highlanders' social and economic conditions, and helping the area play a more effective part in the economic and social life of the nation, as a conceptual whole. (Carter, 1974) In its apparent separation of these two tasks, and subsequent emphasis on industrialising the Highland economy, Carter contends, the Board has demonstrated a disregard for the structure of relations which influence the development of resources and channelling of wealth within the area and between this sector of the economy and others with which it is in contact.

Seeing the results of this structure of relationships as a dependent economy, subordinated to external interests through the mediation of local political and economic elites, Carter has offered an alternative socialist strategy for the Highlands aimed at transforming the forces at work within the area. Based on a community development strategy, this would involve the development of labour-intensive technology to create a self-sufficient Highlands. It would mean reform of land ownership and the rejection
of capital-intensive works, to bring freedom from the domination of the market in the form of temporarily popular extractive industries and the Highlands history of exploitation.

As a strategy for Highland development Carter's proposals have much to commend them, in that they seek to tackle the relations of dependence and domination which continue to be the area's experience thanks to intervention efforts aimed at the introduction of large-scale, capital-intensive industrial development. However, their relevance is probably limited to those areas of the Highlands and Islands which would be considered peripheral in terms of current efforts to attract industrial investment to the area, the rural crofting areas. The translation of dependence theory from interaction between international structures has to take account of the importance of a highly cohesive political framework, found in the nation state in determining the context of action affecting peripheral sub-regions. (IDS, 1977) Carter has not recognised sufficiently the importance of the wider context within which the Highland area is set, nor of the different significance within that context of particular areas within the region. As has been pointed out in a study by members of the Institute of Development Studies:

"...this is hardly realistic because the Highlands are integrated with the rest of Scotland and the UK and the wider world economy and those links are being
maintained by existing internal class structure and political power relations." (IDS, op. cit., p.19)

In this context, in which decisions affecting the Highlands reflect the interests of wider capitalist society, the means of lessening dependence will hinge on taking cognisance of the history from which the Highland economy has emerged (c.f. Quijano, op. cit.) - not as a consciousness-raising exercise, as Carter has suggested, but, more pragmatically, as a central and legitimate concern in policy definition affecting the area. In this way the Highland economy can be addressed directly in terms of the forces which have shaped it historically and those which continue to prevail. Where the area's resources and basic industries have been used to satisfy external demands, these would continue to be developed but a greater proportion of their earnings retained within the Highlands to diversify and stabilise the economy. Domination of the area would be reduced. Instead, interaction with the market would stimulate growth within the Highland economy.

As an example of the situation brought about through current Highland development initiatives which such an approach would seek to redress, we have Tony Mackay's description of the effect on the Highlands of the arrival of an aluminium smelter at Invergordon. (The events leading up to the smelter's arrival will be considered in detail in Chapter 2).
Here, capital for the project, plant and machinery had all to be imported from outside the region. Managerial personnel likewise were brought into the area to operate the smelter. The absence of any local manufacturing activities which could engage with incoming firms led to the imposition of this large project on the area - little benefit accruing locally.\(^{(9)}\) The effect is of a parasite industry exploiting local advantages on its own terms, for its own benefit, there being no counter-vailing influence from the host community to achieve some sort of effective symbiosis. Terms and the time scale for involvement in the area are dictated externally, so that ultimately the area is left behind having gained no constructive advantage from the experience. Its dependence upon the demands of the market is only underlined.

(Mackay, 1978, pp.20-27)

Confrontation of those factors within the social and economic experience of the Highlands which have contributed to the area’s contemporary position within the wider structure of the national and international economies will call for the recognition of certain obligations on the part of local intermediaries and a distancing from the interests of capital. Critical appraisal will be required of the appropriateness of particular developments in terms of their implications for the area’s economy. The local impact, in the broadest sense, will depend upon the extent to which
a distinctive Highland interest can be represented in the decision-making process. Responsibility will lie with those involved in Highland administration to engage actively and aggressively with representatives of industries affecting the Highlands to create a new order of relationship for the area within the wider economy based on the development of a strong internal economy. By anticipating the effects of new industrial activities they may seek to control them by making demands of incoming companies designed to stimulate activity in local trades through investment, and in assessing the probable impact on the local job market seek to gain maximum advantage through long-term job gains supported by company training commitments and to minimise job losses from established areas. They will wish to avoid the possibility of incoming industry bringing about the active underdevelopment of the local community by undermining local trades on which the community will depend in the longer term, and through the drawing away of local labour, especially young workers to serve extra-local interests (amongst the most notable features of dependence - see page 54 ). In seeking to 'manage' incoming firms involvement with the area, they should also be concerned for the consequences in terms of social impact, in not subordinating the area's interests to those of incoming firms; rather, they should seek to use the stimulation of a period of heightened activity to enhance community life - through
the provision of social facilities to support the existing
population and any future increase.

Ross-Shire and Shetland - Different Responses to Industry.

As we shall see in the following chapters, no such response was
entertained by Ross-Shire's County Council when faced with the
prospect of industrial development. Instead the Board's view of the
Highlands as an underdeveloped region requiring the introduction
of industrial development for entry to the market economy was taken
over uncritically by the County Council. Both Board and Council
welcomed the promise of large-scale industry as the means to
developing the area. The result, as we shall see in the course of
this study has been the continued domination of the area by the
interests of capital, under the protection of the State. Such was
Ross-Shire's identification with the interests of industrial
development that they seemed impotent to question the effect on
local social and economic life of the involvement of capital-
intensive industries. Members of the Council seemed unable to
contemplate engaging with incoming firms on any other terms than by
offering total acceptance. The possibility that a more measured
response to the prospect of large-scale industrial developments
might endanger the County's chances of securing particular
projects loomed large in Council minds. We shall see the result of
this approach to industry in the following chapters, as we consider the freedom granted to industry to define the nature and extent of its involvement within the County.

In Shetland, a community with a different cultural background but similar economic experience to the Scottish Highlands, the coming of industry in the shape of oil was seen as a plundering force containing the threat of violation of local social and economic life as had occurred at various times throughout the Islands' history. Being ideologically disposed against industry, as representative of such exploitative interests, the Islands perceived a separation of interests. Their response was to represent what they saw to be the interests of the local community against the effect of incoming industry - a pragmatic decision recognising an inevitability behind the fact of the Islands' current attractiveness to industrial activity. Thus the local Council resolved to take some measure of control over industrial events, seeking thereby to protect the local economy and community life in the short-term and in the aftermath of the peak of industrial activity.

At the centre of these two areas' quite different responses to this period of major industrial development are different perceptions of the significance of industry for the local economy and the manner of its incorporation within the wider economy. In
Easter Ross, as we shall see, the result is continuing dependence upon and domination by external interests and continuing economic instability. In Shetland we see confrontation with the area’s history lead to an attempt at independence of action and interference in the course of market choice for the sake of economic and social stability – offsetting the destabilising effects of the arrival of major industrial developments. It is worth noting Hunt’s observations from Irish and Newfoundland studies, which contrasts with the Highland response but echoes the Shetlanders’ translation into local policy terms of a critical awareness of their history:

"This idea (from the mainland north of Scotland) of oil as magic, instantly transforming economic ills has, of course, been experienced in other societies: Ireland and Newfoundland. But in both these latter areas previous experiences of either colonial exploitation or exploitative relations with central government appears to have meant that offshore developments have been accepted more critically." (Hunt, 1978, p.2)

Obviously, any attempt by Ross-Shire’s County Council or that of Shetland, to influence their respective area’s involvement with the wider economy will be subject to important constraints. The interests of the wider economy and political sphere will inevitably impinge. The contraints of political choice and the State’s identification with the interests of the commercial/industrial sphere will be particularly critical when the industry to which the local community is playing host is the oil industry. As we
shall be reminded in the course of this study, "we live in the real world". (Amendment No.3, p.492) In their responses to the onset of industrial activity in their locality we have in Ross-Shire and Shetland vividly contrasting perceptions of that "real world". For Ross and Cromarty County Council the effect on the local community of domination by the interests of industrial investment was considered a necessary and worthwhile price for incorporation within the market economy. In Shetland, a community critically aware of its vulnerability within the wider economy, the emphasis was on moderating the effects of a time of heightened industrial interest in the islands. Shetlanders' "real world" therefore involved withstanding, even resisting, the effects on their community of industry's involvement in the area.

Oil-Related Developments

We have in the arrival of the oil industry in these two communities all of the elements covered in the foregoing discussion. Here is a multi-national industry acutely responsive to market conditions, having the power to sustain industrial structures and to dominate national economies. The response of the UK Government to the industry's interest in the North Sea was to welcome the prospect of off-shore developments, seeing in oil an immediate means of strengthening the country's trading position.
Thereafter Central Government followed a simple policy based on their desire for the quickest possible development of North Sea oil resources, setting oil prices and depletion rates accordingly. In their concern to see maximum activity offshore reap a quick financial return and competition force up the activity rate in the development of North Sea oil, the Government were content for the oil industry to retain the initiative and accordingly dictate demands over the shape of onshore developments.

It was therefore left to individual local authorities in the areas affected to respond to the demands of this new industry through, for instance, the provision of land for industrial use and social infrastructure, roads, housing etc. This confronted ill-equipped and inexperienced Councils with real difficulties. The sheer rate and scale of developments in addition to the technical detail they involved simply overwhelmed Councils faced with the need to make an informed response. Demands for infrastructure support were presented virtually overnight in undeveloped greenfield sites in Easter Ross and other parts of the north. More important than the technical complexity of the proposals, however, was the unpredictability which characterised the industry's activities. The technology involved in the new North Sea oil fields was itself only being developed by the companies in the course of their operations. This meant that neither the oil companies nor the
Councils seeking to cater for their on-shore requirements could predict with any certainty the timing or scale of demand for onshore developments or infrastructure resources. (Lyddon, 1975)

By 1973 it was clear that Highland local authorities were failing to meet the infrastructure (principally housing) requirements of incoming industry. Scottish Office Departments responded urgently by taking a closer involvement in local Council affairs and by setting up a special body (the Moray Firth Working Party) to coordinate the housing programmes of Councils around the Moray Firth, the heart of platform construction and supply activities. (McCrone, 1974) On the industrial front, too, Central Government demonstrated its commitment to ensuring the swiftest development of offshore activities, through the support provided for onshore work. Between 1972 and 1974, as offshore exploration revealed the extent of the North Sea oil fields, there was a bunching of orders for oil production platforms, the vital first requirement for developing off-shore resources. Concerned that any bottle-neck caused by the failure to supply rigs would impede offshore operations, the Government stepped in, in 1974, to commission two new construction yards in Scotland. By this stage, however, the industry had moved on. The peak in platform demand passed and in fact the Government yards never received a single order. Thus at all times the market enjoyed great freedom in setting
the pace for on- and off-shore developments and their local consequences - only supported by the actions of Central Government.

The 'national interest' was frequently intoned as justification for the strains, social as well as technical and economic, which resulted for northern local authorities. Robert Moore has described aptly the situation of these northern local authorities involved in the drive for the development of North Sea oil:

"...the local social impact of oil is so peripheral to the state's interest that it has not seen it as politically necessary to take any steps to empower the local authorities to deal more effectively with the problems they encounter. The state, therefore, has not played a neutral ring master's role in evening out the costs and benefits of oil, but rather has allowed conditions to continue in which resources are taken from the North of Scotland but relatively little put back into the region." (Moore, 1978, p.33)

Borrowing heavily on the work of Galtung (Galtung 1971, 1973,) Moore has applied the analysis of dependence theory to the interaction taking place between the oil industry and northern Scottish communities during the early to mid-1970's. Based in Aberdeen, he has chosen to develop this work in studying the experience of the nearby Peterhead community (Moore, 1978), but his comments apply with equal relevance to the Easter Ross community at the heart of this study.

From his international studies, Galtung has observed the existence of an international distribution of activity reflecting
an intra-industry division of functions. Within the system there is a division between dependent and dominant sectors in the functional areas of processing, capital and labour, giving a structure to the social relations of dependent development.

In a state of dependent development, division of processing involves the dependent region in low levels of processing and the dominant in higher levels of processing. Typically, there is a concentration of capital-intensive works (often based upon the processing of a natural local resource) in the dependent region, while downstream processing activities are retained within the dominant region. In the division of capital, decision-making over investment and control of profits is retained likewise in the dominant region which demonstrates an acute responsiveness to market conditions. The pattern is completed by the division of labour in which it is normal to find the dependent region supply low-skilled manpower while managerial staff are supplied from the dominant sector, and control over training, research and development, like investment decisions, retained there. Under-development of the economy within the dependent region follows when involvement with the dominant sector is reflected in higher wages, improved work conditions and the emergence of a new elite so that the traditional social and economic base of the community is progressively weakened.
Moore has applied Galtung's framework in a detailed examination of the changes taking place in the social and economic life of Peterhead through involvement with the oil industry. (Moore, 1982) He has provided a fine account of the effects of underdevelopment on that community. Other studies have drawn attention to the features of dependence and underdevelopment to be found in the City of Aberdeen's involvement with oil (see Chapter 5). It will not be our purpose here to replicate these studies in Easter Ross; that would form part of a quite separate project. Rather for the purpose of this study we should note the potential for dependence in the expansion of the oil industry's operations to take in these northern Scottish communities. Our concern will be principally to examine the role of the local authority as mediator for the introduction of industry in general and the oil industry in particular into such communities.

Clearly the actions of Central Government will be vital in setting the context in which industry and community come together. (A critique of the Government's role as mediator is part of the debate within the political economy of North Sea oil which, as we have seen, has already stimulated considerable interest.) Recognition of the political interests of the State in the confluence of factors affecting local authorities confronted with oil-related developments will be required as we seek to understand
what they were dealing with in oil.

From our examination of the Council's actions it will be argued that in Ross and Cromarty's case the equation of industry with development, and subsequent identification with the interests of the oil industry simply served to actively reinforce the area's historical experience as a dependent sector of the economy. The features of dependence outlined above will not be spelt out in detail. Instead, in our analysis of the order of relationship worked out through the activities of the local authority in negotiations with industry, we shall see that the conditions are provided by the Council for industry's domination of local social and economic life. We shall see in Easter Ross's experience with industry, for instance - a concentration on capital-intensive works without the development of down stream processing; control over decision-making on investment retained by companies and exercised in response to changing market conditions; and recruitment of local workers only for the duration of companies' involvement in the area, leading to considerable fluctuations in local employment levels.

In Shetland, by contrast, we shall see the view of their community as one experienced in exploitation and domination by the interests of external markets give rise to a more critical response. By their actions Shetlanders sought to challenge the
authority of the industry to reinforce historical patterns of exploitation and to offset the threat posed by this industry as an agent for the underdevelopment of the local community.

Within the parameters set by the State we therefore have in the responses of these two communities the choice between practical alternatives for local authorities in setting the terms for industry's involvement within their community. They may identify uncritically with the interests of the industry and, it will be argued, risk being taken over by those interests; or they may represent a distinctive local interest in their negotiations in order to moderate the effects of industry upon the local community. (This might mean, for instance, exacting financial benefits from industry's involvement in the area to strengthen indigenous activities.)

These themes will be worked out in the following chapters, as we now turn to analyse, in Chapter 2, the development philosophy adopted by Ross and Cromarty County Council, which in Chapters 3 and 4 is translated into action in their response to incoming industry. It will be argued that by their actions the Council have ceded control of vital aspects of local social and economic life to the interests of industry - a course which has resulted in sparse long-term benefits for the community of Easter Ross or the Highlands. In considering how much room for manoeuvre might have been available...
to this Council to act differently we then have in Chapter 5 an account from other communities, in Peterhead and Aberdeen, of those features which are common to communities involved in the arrival of oil-related developments; and in the case of Shetland an opportunity to analyse a contrasting response offered from a different ideological position on the role of industry in development.

From our analysis the appropriateness of Ross and Cromarty's response will be brought into serious question, and the more critical approach of Shetland considered as an alternative for engagement with incoming industry on the part of more peripheral sectors of the economy.
CHAPTER TWO

THE PRELUDE

The interest shown by the oil industry in Easter Ross during the 1970's came at the end of a ten-year period in the course of which Ross and Cromarty County Council had established their approach towards the prospect of incoming industry. The Council's response had evolved through a number of stages marked by significant local events. An examination of Council actions during this period will offer valuable insights into their reaction when faced with the particular demands brought by the oil industry.

In 1959, thanks to the efforts of local businessman, Frank Thomson, the first new industrial project since the war was established at Invergordon. This new project, a distillery, was welcomed as much for the boost which it gave to the area's image as a buoyant centre in the Highlands as for the 400 jobs it provided. In the next few years, in Easter Ross confidence continued to rise through Thomson's activities. When the Highlands were faced with cuts in the railway network under the Beeching proposals, he directed a successful campaign which saved the Highland lines. Then he was responsible for commissioning a report on the Highland
economy, called, Highland Opportunity, as a reaction against the presentation of the Highland area as a 'no-hope region', which Beeching's proposals were felt to support. (Martech, 1964) In this report an analysis was offered of opportunities for development within the Highland economy which could help to stem the constant drain from the area of "its young and most active men and women". (Ibid p.7) Early development was suggested in a number of areas, including agriculture and fishing, tourism, minerals and chemicals, timber and engineering. As prospects for development in the longer term, the report suggested power, chemicals and plastics and minerals - these on the basis of the Highlands' capacity for cheap power. (1) His ventures gained for Thomson locally the title "outstanding individual of our time" (RJ, 25.3.66). Their main significance lay in their contribution to a new spirit of pride and optimism in the Highlands generally and most particularly in the area around Invergordon, an area which was believed to be on the brink of realising its industrial potential.

This was the context which greeted publication in 1964 of the County Development Plan (which the Council as planning authority were required to produce under the terms of the Town and Country Planning (Scotland) Act 1947). By this time employment at the distillery had reached its peak and confidence was high that further projects would be attracted to the area bringing the
promise of more new jobs. The Development Plan itself was mainly concerned with establishing the case for attracting industrial development to the county as a means to stemming depopulation and outlining which areas should be earmarked for industrial use. Invergordon was identified as the focus for future industrial developments, the 'hub of the cartwheel', and two nearby farms, Ord and Inverbreakie, as potential industrial sites. (RJ, 25.3.66)

These recommendations aroused little comment in the Ross-shire of 1964. Local confidence in the future left little room for detailed examination of the implications. All that mattered was the new jobs, which seemed to be only a matter of time away.

The establishment of the new Highlands and Islands Development Board a year later, in 1965, and the priority given by the new Board for the concept of Moray Firth Development (see page 31) provided important support for Council hopes of industrial development for Easter Ross. (This support was reinforced with the 1966 White Paper references to the promotion of growth centres in the Highlands, and the identification of Easter Ross as a key area (see page 30). (Cmdn. 2864, 1966)) One of the first tasks undertaken by the Board was the commissioning of a planning study of the Moray Firth. (2)

This study, published as 'Moray Firth: a plan for growth' (Holmes, 1968) was carried out by the Jack Holmes Planning Group of Glasgow. It represented an attempt to estimate the capacity for expansion in
the Moray Firth area and to outline principles for organisation of an increased population following industrial expansion. By identifying the Easter Ross area from Tain to Dingwall as the area within the Moray Firth most suited to expansion, the Holmes Report was welcomed by the Council as vindication of their industrial development ambitions.

The appointment of the new Board established a formal context and administrative structure within which the County Council were pleased to operate. Board and Council were sufficiently in agreement over the objective of bringing industry to the Highlands, and the place of Easter Ross in that effort, that any difficulties which might have existed as a result of an overlap in function between them were generally circumvented. The Council in their role as statutory planning authority with responsibility for physical planning were happy to identify with the economic planning objectives of the Board and its pursuit of industrial development. Although at times the overlap between these roles resulted in confusion (particularly over the sphere of action available to the Board), (Williams, 1973) the Council, in acting as planning authority, always turned the Board's efforts at encouraging industrial development to their advantage, by responding positively to their initiatives. In the early days of the Board's work this led to the resignation of the County Planning Officer, who
complained that the Council could not possibly cope with the physical planning implications of the Board's industrial ambitions. This concerned the Council little, given their overriding commitment to the same ambitions. (The procedure evolved whereby representatives of firms interested in locating in the Highlands would engage in preliminary negotiations with Board members and officials possessing the industrial promotion role, who would then involve local authority representatives in discussions. The County Convener and County Clerk were appointed to represent Ross and Cromarty County Council in these negotiations - only these two for the sake of speed and efficiency, but also to accommodate companies' desire for commercial confidentiality.)

**Occidental**

Early in their work together, the Highland Board and Ross and Cromarty County Council encountered a set-back in their respective ambitions through an episode from which the Council emerged only more firmly resolved than ever to see industrial development come to Easter Ross. An acrimonious dispute between those working in the Highlands to bring industry to the area and the Scottish Office (to which the Board was accountable) was sparked off by an approach to the Board from the Occidental Petroleum Corporation of Los Angeles regarding the possibility of establishing a £50 million petro-
chemical plant at Invergordon. The Board welcomed Occidental's interest (DE, 27.12.66), particularly as it followed on the publication of another Board-commissioned report, the Proplan Report on industrial potential in the Highlands, which had identified petro-chemicals as the type of activity especially suited to the facilities at Invergordon. (HIDB, 1967) Occidental followed their warm reception by commissioning a feasibility study of the area and news of the project was made public early in 1967 after the County Council had given it their support.

John Robertson, who was the Highland Board member responsible for Moray Firth Development (and an Easter Ross farmer) had informed the full Council of Occidental's proposals. (RJ, 20.1.67) Commending the project to the Council, he set Occidental's proposals within the context of Government statements on the area, of Highland Board strategy and of the Council's longstanding commitment to the establishment of industry in Easter Ross. Robertson argued that Occidental offered an opportunity to bridge the credibility gap for Easter Ross, establishing the area as a viable industrial location. Once that was achieved other industrial projects would follow, he said. Robertson set the tone for the Council's response. He asked for unanimous support to be given to the project. Nothing less would outweigh the disadvantages facing industries contemplating investment in the north, such as
distance from markets or sources of raw materials. He said the Council should demonstrate their commitment to industry by welcoming this project without reservation, for whether it came or not would depend upon;

"...the extent of the welcome the project is given locally and in the Highlands generally. As planning authority, the Council should cooperate with the Board to land this project, otherwise the company might well go elsewhere." (RJ, 27.1.67)

One question was asked of the project, from a farmer member, fearing in Occidental's choice of site the loss of good agricultural land. Could the firm not consider reclaiming the nearby Nigg Bay, he asked? Robertson replied that the firm had looked at Nigg Bay, but development of that site would take too long. Reclaiming Nigg Bay was a long term possibility and any delays incurred by this project in the Council chamber or in their technical arrangements could result in a decision from Occidental to go elsewhere. He was joined by County Convener, Murdo Nicolson, who asked the Council to demonstrate their commitment to industrial development by their unconditional support for Occidental's proposals. This they duly did.

In announcing their support for the new project, the Council then referred to the factors of low rateable value (equated by the Council with lack of industrial investment) and population losses which had long been the targets of the proponents of Highland
development, also to the importance of establishing industry at Easter Ross for the sake of the Highlands as a whole:

"They (the County Council) were morally bound to try and increase their own wealth and not go begging to Central Government. This proposed development guaranteed employment for all classes of people living in the Highlands. Surely it was better to provide work in their own area rather than have people go south for it." (ibid)

This project, it was said, would present opportunities for the establishment of satellite industries throughout the County. Men could commute from the west to the east coast for work, so the benefits would spread to all parts of the County. Many of those who had left the area in search of work had, said one Councillor, indicated their desire to return if work was available. Here was the opportunity to revitalise the Highlands and to take the first step towards the industrial future on which it was said the area depended for future viability.

The Occidental project was set within the context of Highland Board operations

"The Invergordon project would be about the most important the HIDB had assisted, and it was essential that they should provide something in model development, which would be an example not only to the Highlands but to the whole of Scotland." (ibid)

Furthermore, the arrival of the project

"would show not only Scotland but the world that there was nothing basically wrong with the Highlands. Once it had started operation there was no knowing where it
might lead." (ibid)

So it was that the future of Ross and Cromarty, of the Highlands and the raison d'etre of Highland development were said to rest upon the successful attraction of the Occidental scheme to Easter Ross.

Just when the Council's hopes seemed to be on the point of being realised, as news was awaited of Occidental's feasibility study of the area, things began to go badly wrong. A retired naval commander, Phil Durham, who had offered his services to the Highland Board, disturbed by what he learned of negotiations concerning the Occidental deal, leaked papers to the Press which brought into question the Board's integrity in the deal. He revealed that John Robertson and Frank Thomson (who had also been appointed to the Board), acting within the knowledge of Board Chairman, Robert Grieve, and under the cloak of commercial confidentiality, had been negotiating with Occidental officials. In the course of these negotiations they had made undertakings to the company, for which they were not authorised, of Central Government financial support. He also revealed links between some of Thomson's business ventures and the Board's operations. (Williams op.cit, pp.212-240)

The Board was called to account. During meetings with senior officials at St. Andrew's House, strident debates in Parliament and meetings of the Standing Committee on Scottish Affairs, the parameters of its responsibilities were scrutinised. It emerged in
the course of this examination that the Board entertained great
long-term ambitions for the area, including the construction of a
giant Europort on the Cromarty Firth and a private nuclear power
station. (HC Deb, Vol.743 Cols. 1924-27; RJ, 31.3.67) The news did
nothing to pacify the Board's masters, who were learning of these
hopes for the first time. Meanwhile, in the north, John Robertson
continued to argue in support of the Occidental scheme although the
companies' proposals were not in fact in question. He turned his
attack on the Scottish Office (DE, 6.9.67; GH, 4.7.67) taking
encouragement from public sympathy in the Highlands, (RJ, 14.4.67;
21.4.67) as the issue became polarised in terms of its significance
for Highland Development. Scottish Office officials were cast in
the role of saboteurs of the Board and of Highland development for
the question mark they had put over the Occidental project. They
were presented as a Scrooge for questioning the Board's proposals
for "spending millions of pounds on infrastructure, services and
communications on which a thriving community could be built."
Robertson handed Secretary of State Willie Ross an ultimatum,
"either the Government must indicate support and approval for the
scheme or he would resign". (RJ, 7.7.67)

All this time the Government defended itself by referring to
the extraordinary powers the Board had taken upon itself, (GH,
5.9.67) pointing out also that no firm proposal had been received
from Occidental. (GH, 30.6.67) In fact none ever was. The firm disappeared quietly from the scene. Frank Thomson resigned from the Board and John Robertson followed later, protesting all the time over Government intransigence. (3) In the Highlands, support rallied behind Robert Grieve and his Board for what was seen as a courageous attempt to do the job they had been appointed for, regardless of their methods:

"Today the salient point to remember is that at last it looks as if a really determined attack is being made on the problem, by the Highland Board. This is the kernel of the whole matter, and something we should certainly not lose sight of when opinions are aired and criticism is levelled at the Board for the way in which it is doing its job." (RJ, 17.3.67)

John Robertson emerged from this debacle as the hero, who had stood his ground for the Highlands against the might of Central Government and career civil servants. The Board was given new members to replace those it had just lost, and new clearer guidelines for its work - the combination of these ruling out any possibility of its taking up its "frontier-breaking" role again. So, the outcome of Occidental's involvement in the area, after its confident opening, was widespread bitterness and frustration, and on the part of the County Council a deeply-felt sense of being let down, not only by Central Government but by the Board's failure to fulfil its promise for the area. This episode, so early in the days of the Board's life, was taken by the Council as evidence of the
constraints on Board activities which would inevitably undermine its effectiveness in the area. Their response was to continue to press for industrial development in Easter Ross, now under their own strength.

A watershed had been reached in Ross and Cromarty County Council’s approach to industry. In their response to Occidental, acting on Robertson’s advice, they showed a commitment to industrial development which ruled out consideration of the implications of that development. Concerned lest to ask any question of the project would result in losing it altogether, they asked none. To the Council’s satisfaction, industry = jobs = development. There was thought neither for the type of project which was to come, whether a long- or a short-term prospect, nor for the type of job on offer, nor for the effect of the new project on existing work within the area. In the polarised environment of the Occidental aftermath, you were either "for" development or "against" it. In "against" was included showing any concern for the effects of industrial development on the community (an attitude which we shall see recur in relation to later projects). The result of the position adopted by the Council was to grant the interests behind industrial investment great power in their involvement with the local community.
In other senses, too, this period marked a watershed. John Robertson had resigned, gloriously, from the Board, but he was to reappear shortly as a leading figure on the County Council. There he joined County Convener, Rev. Murdo Nicolson and County Clerk, James Dunlop, two individuals totally committed to the pursuit of industrial development and given considerable power by a willing Council.

In resolving to "go it alone" in pursuit of industrial development, (CC mins, 6.9.67) the County Council adopted a simple policy, which may be summarised briefly: to overcome the area's problems (shared with other parts of the Highlands) of unemployment and depopulation and lack of wealth through the attraction of industry to take the place of declining traditional activities. Thus they resolved through the powers available to them to actively promote the development of an industrial base in Easter Ross. From here on, the exercise of their responsibilities, notably in relation to planning and housing, must be seen in this context, of the Council's commitment to industry.

**Smelters**

The Council's decision to set out on their own, to seize the initiative in regard to the promotion of Easter Ross as an industrial location, was marked formally in September 1967 with the
appointment of the East Ross Joint Sub-Committee, (ERJSC). Comprising members of all Council Standing Committees, the ERJSC was intended to provide an efficient route for incoming industry. In addition, it was to act as a lobby within the political sphere, representing Easter Ross’s claims to new industrial investment wherever possible.

After the discouragement of the Occidental episode, it was with some satisfaction that members of the new Sub-Committee learnt during their early meetings of interest being shown in the area by the aluminium company, Alcan, to build a smelter at Invergordon. The news, which came through the Highland Board, was welcomed, as Occidental’s project had been, as the means to realising industrial ambitions for the area and development for the Highlands. (RJ, 15.9.67) It also helped heal breaches formed in the previous few months and instil within the Council a firmer resolve over the case for siting industry at Invergordon.

It was known that the Government were considering the claims of a number of companies, BACO, Alcan, Rio Tinto Zinc and Allasuisse, all interested in building smelters in the UK on the basis of Government inducements.

Rumours abounded, as first one smelter, then two, were said to be planned for the U.K. Then the issue was further confused by the Government’s decision to link additional aluminium production with
electricity price agreements, possibly involving the commissioning of new power stations. In October, Prime Minister Harold Wilson announced that the Government would direct new smelters to Development Areas, though none were identified. (Scarborough, 4.10.67) All this time representatives of the County Council were extremely active, putting forward Invergordon's case for one of the new smelters, lobbying Government ministers and other groups including the STUC, who could represent the significance of the project for the development needs of the Highlands. As Invergordon's claims came more and more into prominence, the Council now learnt that another company, British Aluminium Co. (BACO) were also interested in building a smelter at Invergordon. (Amendment No.3, pp.27-28, 82) It soon emerged that the two companies wanted the use of land on two adjoining farms behind Invergordon, Ord and Inverbreakie, the two farms that had been earmarked as industrial locations in the Development Plan.

Although decisions affecting Alcan and BACO's proposals rested finally with Central Government, the Council now had to respond to applications for planning permission which they had received from the two companies to build smelters at Ord and Inverbreakie respectively.

The Planning Committee met in November and in view of the scale
of the projects referred them to the full Council with the recommendation that both be granted planning permission in principle and that the Secretary of State be approached to sanction change of use of the land involved - 300 acres at Inverbreakie and 387 at Ord - to industrial use. In addition it was recommended that land at Alness should be zoned for housing which would be required by a major industrial development. (P and D mins, 17.11.67) (See map page  ) The full Council met the following month and duly agreed to these recommendations. They agreed to a course of action designed by their County Clerk as a means to protecting the current proposals and the support they offered to the Council’s industrial hopes. Thus, in indicating that they were ‘favourably disposed towards granting of planning permission in principle to both applications’, detailed consideration of the applications was delayed until a decision could be obtained on the zoning action in the Amendment. (Failure to have decided on the proposals within that time would otherwise have allowed the applications to lapse.) Meantime the companies’ stake in the area, consolidated by their having taken out options on the farms, would remain secure. Most importantly, in preparing the terms of the Amendment no company was identified by the Council. Alcan and BACO were referred to only as indication of industrial interest in the area justifying the zoning of land for industrial use in line with Council commitment to
Amendment No. 3 - land zoned for industry

Map No. 3 - Area covered under Amendment No. 3 to the County Development Plan

Evanton

Alness

Invergordon

x x x - tree belt

0 miles

Built-up areas
industry. In this the Council showed their concern not to lose the
advantage brought by a particular firm should the firm fail to
materialise as had happened in the case of Occidental, rather to
concentrate on the support given by any industrial interest to the
area as an industrial location. (Amendment No. 3, p. 88)

County Clerk James Dunlop's actions had been partly motivated
by a feeling that a public inquiry would be required before a
decision on Amendment No.3 could be reached, resulting in
considerable delays. Concern in farming circles over Occidental's
claim to agricultural land had emerged again, as the farmers
suggested that a reclaimed Nigg Bay would offer an appropriate site
and obviate the loss of high quality agricultural. Why, they asked,
should a site recognised as a potential industrial location be
disregarded simply because incoming industry wanted a different
site? As public debate grew more bitter, John Robertson, himself an
Easter Ross farmer, entered on the side of industrial development,
accusing the farmers of being anti-development. (RJ, 8.12.67) A
public inquiry was therefore ordered by the Secretary of State so
that argument over the Amendment could be resolved.

In the course of the public inquiry which opened in Dingwall on
27th February 1968, the Council described the role they saw for
industrial development and the response required of them if
industry's promise was to be realised.
Their case in supporting the terms of the Amendment was simple—that the importance of industrial development had been accepted into Council policy with the 1964 Development Plan, that the farms in question had been identified as suitable sites for industry and that the current proposals supported the spirit of Council commitment to industry, so they should be approved.

Any concern for the implications of the zoning action in terms of environmental or other considerations had, they said, to be set against the advantages of industrial development, and in the balancing of interests priority had to be given to industry in a County notable for its absence. (Amendment No. 3, pp. 112, 285, 494)

The possibility of examining industrial demands in order to come to some ordering of priorities over land use, for instance, was a luxury they couldn’t afford. They could lose their industry in this way. Thus evolved their perspective on industry as a force serving Council interests but strictly on its own terms. The existence of a point where Council and company interests might diverge did not appear to enter into the Council’s consideration.

Attempting to capitalise upon the credibility which the companies’ proposals brought to the area, and to protect their hopes against the possibility that despite all their efforts "to get the early one" (Amendment No. 3, p. 83) they might get no smelter, the Council referred (as in the terms of the Amendment) to
Alcan and BACO only in terms of their job-creating potential and their significance as an industrial interest. As in their reception of the Occidental project, again when faced with the smelter proposals, the simple ideal dominating Council thinking was the new project's significance as industry. From their equation of industry with development, Council statements emphasised jobs and the potential of current industrial interest in the area to act as a catalyst for future developments. (Amendment No. 3, p. 83) This was without thought for the particular impact of the present proposals, in environmental terms or for the local economy in terms of the importation of raw materials and exporting of the finished product after processing, or the dependence of the proposals on market conditions and agreement with Central Government over capital grants and power subsidies.

The companies were introduced and asked to support the case for zoning Ord and Inverbreakie for industrial use by demonstrating that the sites in question were the best suited to their proposals, and the only ones on which they would consider building. This they did, arguing that the time and cost involved in reclaiming and preparing Nigg Bay ruled it out as a viable proposition. This the Council accepted, saying that to divert these industries from their chosen path would be to risk diverting the course of development away from the Highlands altogether.
In this the Council chose to allow industrial demands to dictate their planning responses and to determine the effects of future developments on local life. As was pointed out in the course of the inquiry:

"It appears that in making these proposals the County Council don't require to carry out expensive feasibility studies dealing with the highly technical aspects such as engineering and so on, but they are satisfied having regard to the information which they have obtained that not only are the two areas capable of supporting large-scale industry but that these two sites are the best which are available in the area. They are satisfied that they are correct from the planning point of view; that they are entirely suitable for large-scale developments; that they have material advantages over any other site in the same region. This, in fact ... is supported by applications for planning permission in principle which the County have received." (Amendment No. 3, p. 36)

It was in relation to the land-use question, the main focus of argument during the inquiry, that Council willingness to allow industry complete freedom in laying down the terms of their involvement in Easter Ross is clearest. For the Council's position, quite simply, was that the attraction of industrial development was a priority in Council policy, thus the claims of industry should be accommodated and given priority. From this perspective any question raised against the claims of the particular proposals was a question against Highland Development itself. (Amendment No. 3, p. 90) The objectors were thoroughly discredited, in the inquiry
and in the local press. Landowners' eviction of their tenants during the Highland Clearances was held up as the ultimate in self-interest, now to be equalled through farmers' opposition to the present proposals:

"It is impossible to avoid comparison between the present objectors to the scheme and the earlier landowners responsible for the Evictions which drove our people from the land in favour of the sheep; the later process is less dramatic, but equally certain in its results, and is merely an extension of the original idea, the financial gain of the few at the infinite cost to the many." (R.J., 16.2.68)

The question of control inevitably arises, from the Council's willingness to allow the aluminium companies' demands freely to shape the industrial pattern in the area. Council representatives defended themselves against suggestions that their experience over the Occidental project illustrated the weakness of their position in the face of commercial interests, and that some resistance should be raised against company demands in defence of local interests. (Amendment No. 3, pp. 420-430) In reality they placed themselves in company hands:

"we have to get on ... and to some extent we are bound to await the decisions of firms coming in before we can have much idea of what the consequences are going to be ..."  
"It is planning by common sense. ... it is related to the fact that economic development depends on commercial decisions." (Amendment No. 3, p. 586)

Through their new Planning Officer, George Pease, they denied
that by their uncritical position on industry they were opening the floodgates for any company, including speculative interests, to exploit local resources. The Council insisted that their powers would give them control over the area's industrial experience:

"I (County Planning Officer) consider the Planning Authority is capable of controlling the situation, and we have not just to be at the mercy of economic forces." (Amendment No.3, p.430)

Asked during the public inquiry how satisfactory it was for local fortunes to be so dictated by company demands, the Council made their position clear:

"the important element here is to get the industries to come in the first place. Once they have arrived then you can see what shape your development plan should take. (Amendment No.3, p.428)

Indeed the Council had had to revise quite considerably their expectations regarding the form their industrial future would take so as to accommodate the demands of the interests before them. Light industries, involving products which would be easily transported to markets in the south had long been regarded as a major element in that future. Planning Officer George Pease spoke for the Council in describing the difficulty involved in attracting light industries to a location so far from large centres of population and production centres. The industry before them was justified for the Council by its very existence. Even if related industries did not follow aluminium production, and he agreed this was unlikely, its presence
was hoped to act as a catalyst, encouraging further industrial
activities - which would opt for sites of poorer agricultural
quality - perhaps eventually those light industries which would
offer the sustained, broadly-based industrial future for which the
Council longed. (Amendment No.3, pp.394, 414-415)

The Council's primary concern was to respond to the current
proposals with a willingness that reflected their commitment to
industry, so that even if they didn't get the smelter they might be
successful in attracting future industries to the area. Thus they
recommended that;

"the farms should be zoned for industrial purposes in
order to indicate to other industries the
availability of land for such large-scale industry."
(Amendment No.3, p.37)

Then to demonstrate their support for incoming industry, they
went a step further - to advocate the zoning of land ahead of actual
demands, to enhance the area's attractiveness as an industrial
location; for incoming firms would then be spared the time-
consuming process of having land made available. (Amendment No.3,
pp.547, 572) It was intended in this way to advertise the
availability of Easter Ross sites to prospective investors. The
Council defended themselves against the charge that they were
giving carte blanche to any company showing an interest in what was
called by one managing director, "the best site in the world"
(Amendment No.3, p.2389) and by Jack Holmes "almost a unique site in the United kingdom". (Amendment No.3, p.603) On the contrary, they argued, by having land zoned for industry ahead of needs they could approach new proposals in an organised fashion, rather than piecemeal as tended to be the case at present. (Amendment No.3, p.396) They would only allow on to the prime site around Invergordon such industry as could demonstrate a clear need for the facilities there, of flat land, established harbour and communications etc. Other firms would be directed on to sites of lesser agricultural and industrial value nearby. (Amendment No.3, pp.414-420)

Similarly, following a review of infrastructure within the area, the Council's proposals for the zoning of land for 500 houses exceeded the requirements of the current project. More than preparation for an anticipated future, these actions were intended by the Council to help bring about a future of industrial development, for which the smelter proposals were to be the catalyst. (Amendment No.3, p.386)

Whether this policy would indeed grant the Council some measure of control over future industries drawn to the area (they supposed under the influence of Council zoning actions), or simply mean that any industry coming along would dictate its terms to the Council, we shall soon see. The smelter proposals were being used to underwrite the current zoning action because the firms involved had said no
other site would do for their plans than Ord and Inverbreakie. (Within a matter of months the Council were faced with another firm offering the ultimatum that only another farm close to Invergordon would suit their plans.) The objectors argued that the Council were indeed being forced into piecemeal decisions at the behest of company demands, and that they needed an overall strategy which would recognise the different interests within the community. Council members and officials insisted that they had a strategy: their commitment to industrial development was their strategy, and having made desirable stretches of land available to industry, they would now control access to it. They would intervene to establish the optimum organisation of new industry in the area. They were not, they insisted, "just at the mercy of economic forces". (Amendment No. 3, p. 430) Far from prejudicing the proper planning of the area, the Council argued that they were facilitating planning, as defined by their policy commitment to industry:

the policy enunciated at this inquiry will take care of any possibility of indiscriminate development along the east side of the Firth." (Amendment No. 3, p. 2413)

Having landed their industry, then the Council could consider matters of secondary importance, like the organisation of the local community, or environmental considerations. These were to be regarded as the price of development through industry:
"the important element here is to get the industries to come in the first place. Once they have arrived then you can see what shape your regional plan should take." (Amendment No.3, p.428)

The Reporter's Decision

Vindication for the Council's approach came with the decision of W. Munro Q.C., the Reporter to the inquiry in May 1968. Mr Munro decided in favour of the Amendment, demonstrating his sympathy with Council policy. He gave as the short reasons for his decision:

1. The land is suitable for heavy industry.
2. It is sought after by industrial companies.
3. The owners were willing to sell it to those companies.
4. Heavy industry in Easter Ross will be helpful to the economy of the Highlands.
5. In financial terms the productive value of the land will be greatly increased by the establishment of heavy industry on it.
6. Unemployment in the area will be relieved.
7. An overwhelming majority of people in the area are in favour of the introduction of heavy industry into it.
8. The actual proportion of good agricultural land immediately affected by the Amendment is comparatively small. Any expansion of industry beyond the limits of the area to be zoned will be possible only after further Amendment of the County's
Development Plan and be subject to objection and inquiry so that there will be some control over the consumption of more good agricultural land. The preservation of land for agriculture has long been government policy, and, though other considerations may seem sometimes to nullify this policy, it must help to deter the conversion of agricultural land to other uses.

9. The evidence satisfied me that there will be complete control over effluent from any industrial plant and that, if there ever are any harmful effects, they will be occasional and affect a very limited area.

10. Development of the land can start almost immediately.

11. As regards the housing areas at Alness they seem well suited for their purpose. The only serious objection was on the ground of amenity and was made by one objector only, and no suitable alternative areas were suggested. (Munro: Report, 29.5.68; para 52)

In accepting the case for zoning Ord and Inverbreakie to meet the demands of the current proposals, (Munro: Report, para 53(5)) however, Mr Munro, emphasised the need to prepare for the reclamation of Nigg Bay as a natural development of the area's industrial potential. Conceding that in attracting their first industry to the area the Council had had to simply accommodate the
smaller companies' demands, he suggested that in future, with a prime industrial location established at Invergordon, they would be in a strong position to dictate terms to incoming industry. He had every confidence in the Council's ability to control industrial events and to represent local interests in discussion with prospective industries, for instance, by directing firms to land of lesser agricultural quality at Nigg Bay:

"I feel sure that the County Council will carry out its publicly expressed intention to allow only such industry on the zoned land as requires all of the facilities offered there. I must, however, add in conclusion that a very strong case was put forward for the use of Nigg Bay for industry if reclamation is feasible and I make the suggestion that no time should be lost in making a survey of its possibilities with a view to its reclamation for industrial use if that is shown to be an economic proposition. A further loss of agricultural land should, if it is at all possible, be avoided." (Munro: Report, para 54)

In his letter of decision, the Secretary of State's echoed the tones of his Reporter. Again, the balance was weighed of the loss of good agricultural land against the need of the Highland economy for manufacturing industry. Again the conclusion was the same:

"He has found in the special circumstances appertaining to the land at Invergordon which is the subject of the Amendment that the balance of advantage is in favour of industrial use." (S.of S., 5.6.68)

Again, the important factor in this equation was the assurance given by the County Council that it would guard its land resources
jealously, that it would only allow on to this land such industry as required all of the facilities to be found there. Again, the Council's duty to direct future industries to Nigg Bay was stressed in justification of the present action. While the case for the present proposals demanded that Nigg Bay be by-passed, it was felt to be of vital importance that this should not be forced on the Council again - as it had in this case, by the complete unpreparedness of the site which could, technically, be reclaimed at Nigg Bay:

"Invergordon's situation with its presently un-tapped deep-water harbour potential is probably unique in the United Kingdom and the Secretary of State is impressed by the long-term possibilities of extending the area of land available for major industry by the reclamation of Nigg Bay. He would draw the County Council's attention to Mr Munro's recommendation that a survey of these possibilities should be undertaken." (S.of S., 5.6.68)

Events now passed quickly. Shortly before the Secretary of State's decision had been circulated, on the 29th May, the House of Commons heard that Alcan had chosen to site their planned smelter near the coal fields which would power the plant, in the North-East of England. Then, in July, Mr Crosland, President of the Board of Trade, announced that the Government was sympathetic towards proposals for Aluminium reduction plants from BACO at Invergordon and Rio Tinto Zinc at Anglesay. (B.of.T. 24.7.68)

Soon afterwards, the County Council met to make a formal
decision on the BACO Application, according to their responsibility as planning authority (under Section 12 of the Town and Country Planning (Scotland) Act, 1947). The company was duly permitted to begin construction of a smelter. News that a smelter was definitely to be constructed at Invergordon was given an enthusiastic welcome. Not only did it revive credibility in the Highland Board and its work; it also brought renewed hope to the local economy in the wake of drastic reductions in employment at the Invergordon Distillery. Where in 1965, 360 were employed at the distillery, in 1967 this number had fallen to 160, and it was still falling. A feeling of discontent was growing. Many who had seen the fortunes of Invergordon rise in the hey-day of Frank Thomson’s activities rued the day he left the area (following Durham’s disclosures). They now looked to the smelter to rescue Invergordon from the doldrums, confident that the basis had been laid of a sustained industrial presence in the area.

Grampian Chemicals

Even as the County Council awaited a decision on Amendment No.3, they were informed by the HIDB of proposals from another firm interested in building a major project in Easter Ross. The firm, which had only been formed in January 1968, was called Grampian Chemicals, and its plans for the area involved the construction of a
£50 million petro-chemical complex near Invergordon. (Amendment No.6, p.2322) These proposals were the results of the efforts of Jonathan Jenkins, originally a chemist, who had been brought to the area by Frank Thomson and who had been enrolled by the HIDB as an industrial consultant, working on the preparation of the Proplan Report among other projects. He had worked closely with John Robertson on the industrial attractions of the whole Moray Firth area and especially Easter Ross, and, after Occidental's failure to materialise, had taken the petro-chemicals idea to various individuals in a search for the finance needed to bring such a scheme to the Highlands. He was successful in attracting the interest first of Angus Morrison, who had been Sales Director of CIBA Laboratories then of Eoin Mekie Chairman of Grampian Shipbuilding, a firm originally formed in an attempt to take over the naval dockyard at Rosyth. (Amendment No.6, pp.1139-1144; P.E., 22.11.68) Together these three now arrived in Easter Ross, Grampian Shipbuilding having been given a new identity, Grampian Chemicals, and said to be financed by the American firm, Planet Oil and Mineral Corporation (itself backed by Allan and Company, major investment bankers in New York). They commissioned another American company, Bechtel Consultants, to initiate feasibility studies of the Invergordon area, and set about laying their claim to the area first before the HIDB then the County Council.
Grampian Chemicals' approach was welcomed by the Board, whose representatives saw an opportunity to redeem some of the credibility they had lost over Occidental, and partly regained with the smelter projects, "not to take decisions which may be taken at a higher Government level but to try and promote and encourage the industrial development of the area." (Amendment No.6, p.2322)

Equally, when they heard of it Ross and Cromarty County Council responded by seeing in the Grampian project a further concrete step towards the realisation of their industrial ambitions for Easter Ross, and a case for revising their Development Plan provisions to accommodate the company's demands. (Amendment No.6, p.108)

Ross and Cromarty County Council were informed of Grampian proposals at a joint meeting of representatives of the County Council and the Board on 25th March, only five days after the end of the inquiry into Amendment No.3.

Those present at the meeting were told that the Board welcomed the new project in principle. However, details of the project were not given. Council representatives were told in the vaguest terms that the company planned to build a petro-chemical complex in the Invergordon area at an estimated cost of £50 million. They were informed that Grampian Chemicals had, this same month, negotiated with the Board of Trade for an Industrial Development Certificate to invest in this Development Area. The company's proposals would
require the use of about 400 acres and would mainly involve the production of heavy oils and fertilizers. Grampian hoped to begin production as soon as possible, in 1970 or 1971. The Council were told in addition of the feasibility studies currently being undertaken, although still at an early stage, on the company's behalf, by Bechtel. (Amendment No. 6, pp. 1142, 1178)

The Council reacted to this by immediately passing the matter to the ERJSC, the special Committee set up to deal swiftly with any industrial inquiry. The ERJSC duly met only two days later, and on the strength of the very limited, general information before it, passed a three-fold resolution, welcoming the proposals as a means to alleviating local unemployment, recommending that the Council should do all in its power to support the project and advising continued cooperation with the HIDB in the task of bringing industry to the area. (Amendment No. 6, p. 89)

The Company persisted in offering only the scantiest detail of their plans for the area, while all the time emphasising the great benefit they would bring to Easter Ross. At a Press conference on the day news of the project was made public, Grampian Chairman Eoin Mekie promised an initial 1,000 jobs to the local area and £520 million a year to the country, half of this in direct exports. He claimed the support of Central Government in granting the firm an I.D.C., and of the Highland Board in welcoming this new company.
Grampian were tied to no single major oil company, therefore, he said, they were in a position to act freely within the market, hence their frontier-breaking interest in Easter Ross.

Then he threw down the gauntlet to the people of Ross and Cromarty and their elected representatives - "if you are serious about your commitment to industrial development, prove it." To be viable, he said, construction on the project had to begin as soon as possible, the following summer of 1969. Once they were confident of the Council’s ability to respond in time to their need to have control over the land they required, the firm would then only have to await the results of Bechtel’s studies and an assessment of market conditions before launching on the development of their plant, a four million tons per year oil refinery producing petrochemicals, feedstocks and a variety of downstream products. (Amendment No.6, p.67; RJ, 3.1.69)

Despite Grampian’s urgency in seeing their plans for Easter Ross gain Council approval, months went by without any clear indication from the firm as to the site they had in mind. Working in the dark, but satisfied that their industrial policy was being met by Grampian’s proposals, on 1st May 1968 the Council approved their Joint Sub-Committee’s suggestions that they should welcome the project. (Amendment No.6, p.89; CC mins, 1.5.68) Then, on 10th July, as disquiet began to be felt locally over Grampian’s
continued failure to provide further information regarding their plans, Eoin Mekie met with the ERJSC (Amendment No. 6, p.95) to reaffirm his company's interest in the area, as he was to do repeatedly.

As they waited for more detailed information on Grampian's plans, and after a Government announcement in July that BACO's plans for Inverbreakie would be supported, and Alcan directed elsewhere, the Council anticipated that the now vacant industrially-zoned land at Ord would be the site of Grampian's scheme. It seemed ideal. From the details which it had been gleaned so far, this certainly fell into the category of large-scale process industry with which the Council had identified in the past, and which had provided justification few months earlier for the zoning of the two Invergordon farms.

In the next two or three months, however, industrial decisions were to dictate that any hopes the Council might have had of following the recommendations of the Reporter in his decision on Amendment 3 (in relation to the smelter companies' demands. See page 104), of conserving prime industrial sites and directing future industries towards land of lesser agricultural quality, would soon be overtaken. The first hint that the consecutive siting of BA and Grampian Grampian Chemicals on Inverbreakie and Ord would not come about was received by ERJSC in a meeting with BACO
representatives. They were informed that the company now needed freedom to expand if their plant was to be viable. This and proposals they were considering for the construction of an alumina works next to the smelter meant they required more than the land they already had at Inverbreakie, so they proposed to include a study of the Ord site in their final plans. This the Council accepted on the basis that BACO had said it was vital to their operations. (Amendment No.6, pp.100-104)

In September, the Council learnt from Grampian of their failure to take over the Ord site. At this point no reason was given, although Angus Morrison later revealed that "we were told categorically we could not under any circumstances purchase Ord" (Amendment No.6, p.1268) by Alcan who held an option on the land. Thus the company intended to acquire two farms to the east of Invergordon, Delny Farm as the main site for their plant and nearby Pollo for access to the Cromarty Firth. The situation was complicated by the fact that Delny Farm was owned by Chairman of the Council's Planning Committee, Captain I.W. MacPherson, who sold the land to Grampian, subject to Planning Permission. (Amendment No.6, pp.140-145) This only added to the Council's surprise, for they could not account for Grampian's inability to take over the land at Ord not required by the smelter project. Nevertheless, they remained undismayed, concerned only to facilitate industrial
development, in this case in relation to their company's choice of site:

"...we are not entirely guided by the developers themselves, but if a developer tells us a fact we have to accept a fact as a fact." (Amendment No. 6, p. 140)

To the Council's satisfaction the whole area was a potential industrial site. It only remained for companies to come to them with plans for realising that potential. They could anticipate neither how nor when this might occur, only cooperate with industrial interests in line with their commitment to industrial development. (Amendment No. 6, pp. 1134, 1200)

If the Council were not interested in what was happening to the land at Ord, Jane Durham whose family owned the farm and who was married to Phil Durham (of the Occidental episode), certainly was. First she tried to buy back the option on the farm to save it from industrial use, but she was told by Alcan that she would need to agree terms with BACO. On meeting with BACO representatives, she then learned that the company actually required only 49 acres to alter their plans as they now required. Eventually she reached agreement with the company that failure to construct an aluminium plant on Ord land within three years, would result in BACO's option being rendered void. (Amendment No. 6, pp. 252-260) Thus, subject to Mrs. Durham's conditions, effective control of the whole 736 acres of Ord and Inverbreakie was taken into BACO hands, although the
company required only a portion of that for their smelter: the remainder was a hedge against the future.

BACO's application for permission to adapt their plans for a better layout went before the Council in October, on the day two applications for planning permission in principle were received from Grampian Chemicals. The first involved application for permission to establish a petro-chemical plant and chemical plant at Delny and Pollo Farms, Invergordon, at an estimated cost of £50 million. The main features of this application related to the need for some means of vehicular access and the change of use of the land from agricultural to industrial. The other application was concerned with the establishment of a tank farm and pumping station on land on the other side of Nigg Bay, from which it was proposed to pipe the incoming crude oil across the Bay to the plant on Delny. (Amendment No.6, pp.101-102)

The applications went to the ERJG and from there, with general approval, to the full Planning Committee. In the meantime, the Secretary of State was approached (as required under Section 13 of the Town and County (Planning) Scotland Act 1942) to decide to call in the proposals or advise that they be taken as the basis of an Amendment to the zoning in the County's Development Plan. He decided on the latter course, asking the Council through their Planning Committee to initiate Amendment procedures. (Amendment
All this time very little detail was available regarding Grampian's plans. Therefore the County Convener and HIDB officials now met with Grampian Chairman Mekie. They learnt that the Nigg Bay option would definitely not be taken up; there was no question of the Company going to establish itself at Nigg Bay when Nigg Bay was reclaimed. (Amendment No.6, pp.95-349) Having set their terms in their choice of site, the Company then put pressure on the Council over their desire to have planning permission for the Delny site as soon as possible. They wanted to start construction in July 1969 which, they said, meant having planning consent at least three months earlier, in April. (Amendment No.6, p.566; RJ, 3.1.69)

On receiving Grampian Chemicals applications, the County Planning Officer, George Pease, drew up a questionnaire which he sent to the company. (Amendment No.6, p.353-363) This was designed to elicit information concerning the timing, cost, labour and accommodation requirements of the project, also water and power demands and possible ancillary developments so as to guide the Council in their response.

Pease also prepared a report dated 15 November, in which he summarised the Council's policy on industry and its practical implications in regard to the current proposals. He outlined a
number of courses open to the Council. They could: -

(a) recommend that the Grampian Chemicals company be asked to site their petrochemical works on Ord Farm
   - but this would restrict BACO's development;

(b) submit a further Amendment to the Development Plan relating only to the sites of the two applications from Grampian Chemicals.
   - this would imply that Grampian's proposals represented an isolated case of industrial development;

(c) submit an Amendment for a larger area than that covered by the applications, the area east of Inverbreakie and Ord Farms up to and including Delny
   - this would be consistent with Council policy and facilitate the development of ancillary developments.

(d) ask the Secretary of State to decide on the applications.
   - this would be appropriate in light of the scale of the project and its national and regional implications; or

(e) defer or refuse the current applications until studies based on the industrial development of the area had been completed
   - this would give the Council the opportunity to arrive at a logical framework in terms of which future developments could be organised. (Amendment No.6, pp.154; 569-575)
Of these several options, the Planning Officer clearly favoured the last, such studies being based on the premise "that this area should be regarded as being potentially for industrial use". (Amentment No.6, p.382)

He emphasised that the Council should not feel obliged to accept Grampian's proposals, and certainly not their terms. Interest in the area had underlined its attractiveness as an industrial site. Now the Council could use the power of that attractiveness to take control over developments and their implications for the local environment, bargaining from a position of strength. He did not want to be rushed into anything, as the Council were at risk of being, through company pressure.

Acceptance of Grampian's proposals in the pursuit of industrial development would mean, he said, accommodating industry strictly on its own terms, before any studies could be carried out which would establish other local interests. It would be impossible to undertake the studies which George Pease regarded as being so important, and to guarantee the summer start on construction which Grampian demanded. He admitted that on the basis of company information, "by deferring the application in fact the County would be turning away a potential industrialist for the Invergordon area" (Amentment No.6, p.374) but insisted that this was a risk that should be taken if planning standards and the adequate
representation of every environmental, social, physical and economic interest was to be upheld. If the Grampian Chemicals applications were to be supported in the absence of these studies, this would effectively serve notice to the fact that the pursuit of industrial development over-ruled every other consideration. (Amendment No.6, pp.372-375)

As in the case of Ord and Inverbreakie, and of Occidental's application, the question of changing Delny from agricultural to industrial use had been precipitated by a specific company's application and uncompromising company requirements. It would always be the case that an application would be required before a policy could be translated into action but, argued George Pease, in this context a local authority need not be passive, bent on accommodating every demand presented to them by industry. Ross and Cromarty County Council were at a critical juncture. They could consider themselves so dependent upon the good will of industry that they would accede to its every demand, or they could depart from that course, taking heart from the applications which had been received, to undertake an effective review of their County Development Plan. That Plan, in 1964, had established the Council's policy of 'going for industry'. Now that industry appeared to present itself as a reality, Planning Officer Pease urged his Council to prepare or commission the preparation of a Structure
Plan which would represent an ordering of priorities, involving the range of interests present within the community.

Pease argued that it was not sufficient for the Council to say that they had established a policy of development based on large scale industrial activity, and that any subsequent industrial proposal meeting that basic requirement served to (a) validate the policy and, (b) justify an alteration in the County’s zoning pattern. Industry should be directed towards the most appropriate sites. Previously, the Council had not been concerned to weigh the relative merits of the various uses to which land might be put. The need had not arisen. Now, said Pease, the need did exist and the Council must respond to the challenge to match the needs and resources of the area to the demands and opportunities of industry, for the area’s sake. The desirability of industry had long been accepted in the County, but it had not been accepted that industry should be accommodated on any terms and with no consideration for the effect on other activities which had for many years been vital to the area. To act as if this were so would effectively place agricultural, tourist, environmental and fishing interests at a disadvantage whenever a choice had to be made between them and industry.

For all these reasons, said the County’s Planning Officer, it was important that the Council should initiate studies of the area,
of the kind of industrial mix which would be best suited to local resources, and of the implications for non-industrial activities of various courses of action. Then they could say that on the strength of these findings, a certain course of action was desirable within the general policy of bringing industry to the County. Otherwise that simple consideration would predominate with insufficient thought for its implications or the means by which it might be most appropriately achieved. It would not do for the Council to say again as it had during the Smelter inquiry that it welcomed industry per se, and promise that only those industries would be allowed on to good agricultural land which could demonstrate the necessity of their chosen site to the viability of their operations. To do so handed the initiative to companies who had only to say that unless they were granted access to their chosen piece of land they would not come to the area.

He summarised his Council's responsibilities at this time in regard to planning:

"In order to avoid Planning on a piecemeal and indiscriminate basis, i.e., ad hoc Amendment, the preparation of a long-term Structure Plan for the Invergordon-Nigg area is essential, but this is not in itself sufficient to justify a case for developing any particular area where, for instance, a planning application is made. A burden is on the Local Planning Authority to show that any area to be developed will be the best use of the land taking account of such factors as existing use, amenity, etc.... Furthermore, an onus has been placed on the County
Council to avoid the use of agricultural land if at all possible and the implication of Mr. Munro's (Reporter to Amendment No. 3) recommendation that no time should be lost in making a survey of Nigg Bay is that any further zoning of land for industry should await the outcome of such a survey. "the responsibility of the local planning authority in promoting and controlling the development of large-scale industry in the Cromarty Firth in the interests of the whole community must be exercised in accordance with the best planning principles..."

He outlined the importance of this strategy for agricultural interests:

"In view of the establishment of large-scale industry in the area it is most important that a positive agricultural policy be adopted to ensure the continuing prosperity of what will remain a primary industry in Easter Ross. Before the submission of any Structure Plan for the Invergordon area, discussions should be held between the local authorities, the Dept. of Agriculture...and the various farming interests... with a view to incorporating a statement of agricultural policy in the County Development Plan."

Without this range of information, representation and reasoning;

"...the County County would be placed in a difficult situation in having to support and justify at a Public Inquiry such an amendment without the benefit of the studies and policy decisions referred to." (CPO, 14.11.68)

Failure on the part of the Council as planning authority to address the planning implications of Grampian's proposals would, said Pease, indicate that it was "more of a policy matter than a planning matter". (Amendment No.6, p.374)

In their response, the Council demonstrated that for them it
was indeed "more of a policy than a planning matter", that their concern to see industrial development come to Easter Ross transcended other considerations identified by their Planning Officer. In this they were continuing the practice established during their dealings with the smelter companies, of treating the consequences of industrial development as insignificant compared with the need for industry in the first place.

At three meetings, culminating in a meeting of the full Council on 18th December 1968, Grampian's proposals were the main topic, along with George Pease's recommendations. Still, few details concerning their proposals were forthcoming from the company. Estimates of 1,000 new jobs had plummeted to 310, but that was still sufficient for the Council to wish to retain company interest. (Amendment No.6, pp.112, 510-571; CC mins 18.12.68) Against the Council's fear of losing the project through dilatory action, the company repeatedly emphasised the need for an urgent decision.

"An export contract is available to us with at least £15,000,000 a year for 10 years. You are asked to sign on a firm contract before March, that is £150,000,000 worth." (Amendment No.6, p.565)

Afraid of seeming to do nothing, and desperately wanting to do something to support the project, the Planning Committee passed the applications to the full Council recommending approval in
principle pending detailed consideration of the proposals once more was known. (Amendment No.6, p.563)

Having by now rejected three out of their Planning Officer's five possible lines of action, the Committee were left with only one outstanding question to settle. They had to decide whether to recommend zoning only that land covered by the terms of the applications before the Council, or to present plans for the zoning of an added area.

They chose the latter option, in the process summarily rejecting the advice of Planning Officer Pease. This was consistent with their earlier decision to support Grampian's application in principle because it was a large-scale process industry and with their posture towards industry in the years before. Large-scale process industry was what the Council wanted, even if only as a prerequisite for later, lighter, developments:

"There were certain obvious grounds, that apart from these applications this Amendment would have come sooner or later anyhow, and it was absurd for us to ask simply for the part asked by Grampian, because if any other industry came in then it would mean that we would have to amend our plan every year, and possibly a public inquiry every year, we thought it was commonsense, and we still think it is not only to make provision for the applications which are before us, but to make provision for the future." (Amendment No.6, p.108)

Although the Planning Committee were not aware of any definite moves by other industries seeking sites within the area now zoned,
or now proposed to be zoned:

"They were encouraged to believe that if this industry was granted planning permission that there were reasonable prospects of ancillary industries coming in.
"...Grampian Chemicals indicated that there were certain companies known to them, or company, who were interested.
"We (the Planning Committee) were hopeful that arising out of the smelter there would probably be some (ancillary industries)." (Amendment No.6, pp.109-110)

As when presented with the smelter enquiries, the Council resolved to use Grampian's interest in the area to add to their provision for industry in the future through the zoning of excess land. This was so despite the fact that only one smelter was to be built on land zoned for two and although Grampian's choice of site, if granted, would leave surplus land unused. The Council admitted they couldn't predict what might happen to the land but felt that having it available to industry would serve to attract new industry to the area. This, they said, was the only constructive course, for a buffer of zoned land would both draw industrial interest to the area and offer the means of organising future industry within Easter Ross.

For the Council, Grampian Chemicals' interest in the area, as the smelters' before them, served as proof of the area's industrial promise. In addition, they looked to these applications to provide the basis for further developments, related and unrelated. This
they could facilitate by supporting the first step in the chain, the applications in hand. They looked to the planning process to convey these intentions to industry. By zoning land in excess they sought to extend this welcome beyond the present applications to any industry which might be attracted by the area’s growing credibility to come to Easter Ross. During the public inquiry which followed, County Development Officer, C.J. Harley, expressed his support for these arguments. In doing so, he represented, quite concisely, the views of his Council:

Johnston (QC representing County Council) to Harley-
"...is it in your view desirable to have areas zoned for industrial purposes in advance of inquiries for the establishment of industry?"
- "I would say it is highly desirable."
"Is it essential, in your view?"
- "...it is not essential in the sense that the smelters still came despite the fact that land was not zoned in advance, but it is a very big factor in the case of inquiries if land is already zoned"
"To some extent Invergordon has entered the competitive market for areas capable of providing the resources indispensable to large-scale industries, isn’t that so?"
- "I would say it is now on the map."
"And if they are to remain competitors is it essential that there should be available, readily available, land for further industry?"
- "I would say so."
"Otherwise industrialists would be dissuaded from considering Invergordon as an area for their industrial development due to the unavailability of sites and consequent delay in making them available?"
- "Yes. There is also the factor that they cannot be certain until an Inquiry is complete and the Secretary of State decided as to whether, in fact,
this area will be available." (Amendment No. 6, pp.717-718)

It was claimed that if there was no land ready-zoned for industry the result would be repetitive Public Inquiries and costly delays and disturbances for Company and Council alike. This might very well, it was suggested, damage the area's chances of ever gaining the industry they hoped for. Mr. Harley gave an insight into the Council's thinking.

"What would be the effect, do you think, on the viability of the area as one for large-scale industrial development of the turning away of an interested developer on grounds of lack of available land or lack of facilities?"
- "I think temporarily disastrous." (Amendment No.6, p.721)

Thus the Planning Committee submitted to the Council that a total of 1470 acres should be zoned for industrial use, of which Grampian had applied for the use of 271 acres, plus part of Pollo for access. The Council's decision matched the spirit behind Planning Committee recommendations. They approved the applications, in principle, indicating that they would be granted planning permission at the first available meeting after approval of the the required Amendment. To respond to the needs of ancillary developments and to avoid delays they also approved the proposals of zoning excess land (and at the same meeting approved BACO's approach for the use of Ord.) (Amendment No.6, pp.112-113) (see Map 4.
Sites of piers to be determined.

Map No. 4 - Area covered under Amendment No. 6 to the County Development Plan

- Amendment No. 6 - land zoned for industry
- Amendment No. 3 - land zoned for industry
- Built-up area
- Tree belt
In preparing the terms of this next Amendment, the County Council again separated their proposals from the specific applications to protect the applications from the delays and exposure of public inquiry procedures. Again their arguments focussed on the overriding importance of bringing industry to the area, no matter the implications - the order which was established in their response to the smelters.

This time local criticism of the Council's actions in supporting Grampian's applications was more widespread. The farmers were supported by others including Invergordon Town Council who were concerned at the Company's apparent ability to dictate the terms of its involvement in the area and the County Council's seeming acquiescence in this. Here it seemed was a prime industrial site about to be handed over to a company with nebulous proposals promising jobs now far below the number estimated to be containable there and resisting every attempt from the Council to learn more of their plans. (Amendment No.6, p.1239) Local people were incredulous:

"Have our Planning Committee taken leave of their senses - they appear to have succeeded in recommending an action which pre-judges the location of further Cromarty Firth heavy industrialisation before the present surveys help determine where best it should take place." (RJ, 10.1.69)
And, as doubts gathered, even members of the County Council were heard to construe Grampian's pressure for a Council decision, "blackmail" and "indecent haste". (Amendment No.6, pp.34-74)

It had become increasingly obvious that a public inquiry would be required before a decision could be reached on this, the sixth Amendment to the County Development Plan. (5) The Secretary of State duly instructed the County Council, and the inquiry opened on 27th February 1969 under Reporter, W. O'Brien Q.C. As in the previous inquiry, which had been precipitated by the smelter proposals, the Council's argument rested on their belief, supported, it was said, by Government concern for the area, in the need to bring industrial development to Easter Ross. They referred to the outcome of the previous inquiry and the Government's decision to locate a smelter at Invergordon as having established the first step towards industrial development, a state which could now be accomplished through approval of the current Amendment. Construction of the smelter had provided work for 2,000 including a large incoming workforce. Now, said the Council, it was clear that for any permanence of opportunity more projects would be required. Once the smelter came into production, relatively few jobs would be available in what was essentially a capital-intensive operation. Another project which would re-employ this construction force and which, in the longer term, would offer permanent work was necessary
if the smelter project was to fulfil its potential (described in Amendment No.3) as the herald of better things. County Convener, Murdo Nicolson described the Council’s attitude:

"...We regard it (smelter employment) simply as the beginning."
"A drop in the bucket, is it?"
"Exactly...."
"...I think that it is vitally essential that we have heavy industry, industry of all types, in this County, and I feel confident that the granting of planning permission to the B.A. was just the very beginning of the process." (Amendment No.6, p.79.)

County Development Officer, C.J. Harley, agreed with his Convener’s sentiments; "...after a year or two we would find ourselves in the position again of growing unemployment locally" (Amendment No.6, p.714). For this reason, he said, it was essential to maintain the impetus initiated by the establishment of the Smelter. Thus, it was vital for the County Council to "seize any opportunity" of industrial development (Amendment No.6, p.721). To do otherwise, to deter an interested developer on grounds of lack of available land or lack of facilities, would be to turn back the tide of industrial development.

On the question of the land involved, the Council admitted that they had initially expected Grampian to go to Ord, but having learnt of BACO’s proposals they were happy to facilitate those. In addition, they wished to avoid the delays which would result from compulsory purchase procedures which would be required to transfer
to Grampian part of Ord from BACO - this although it was known that compulsory purchase procedures were required to free part of Pollo Farm for industrial use to open up the land-locked site at Delny. The difference between the two sites was that Grampian wanted Delny.

Questioned about their failure to direct this firm to Nigg Bay on which, following the Secretary of State's advice, reclamation studies were to be completed the following month, the Council quoted Company representatives; they were "simply not interested in Nigg Bay", (Amendment No.6. p.95). They wanted to dominate the prime industrial site which had been singled out for its "unsurpassed assets" (Amendment No.6, p.133) by being at the centre of ancillary developments. (Amendment No.6, p.1237) That depended upon having immediate access to developable land. Pressure of time imposed by the needs of ancillary developments ruled out siting their plant on a reclaimed Nigg Bay. The County Council were happy to accommodate the company's demands, seeing in Grampian's interest in the area verification of their policy on industry:

"the land is suitable for heavy industry on the basis that the Company is willing to build a petro-chemical plant on it." (Amendment No.6, pp.92, 610)

The significance of Grampian's proposals as validation for their policy on industry meant that the Council could not countenance their Planning Officer's suggestion that they should take
encouragement from the company's interest and defer their final decision until studies had been completed concerning their appropriateness for the area. In the Council's view, industrial interests by their very nature had simply to be accepted if industrial development were to be brought about. Thus, as the Company handed out threats over time and the need to approve the project quickly for the sake of ancillary developments, the Council gave in. As they said, not unreasonably, in commenting upon Company pressure:

"The prospect of losing a £50 million project is bound to have some effect on a County Council." (Amendment No.6, p.198).

As during the inquiry into Amendment No.3, the Council now extended their argument in favour of accommodating industry's demands uncritically, to support their case for zoning land ahead of demand, thereby to enhance the area's attractiveness to prospective investors:

"...it was felt that no industrialist would be likely to be interested in this part of the world unless the County Council could offer land at fairly short notice without having to go through delays occasioned by lengthy inquiries on each occasion." (Amendment No.6, p.312).

When asked to inform the inquiry as to the ancillary developments which would follow them into the area and on the basis of which they justified their choice of site and pressure for a quick decision,
the company refused pleading commercial confidentiality. When asked, the Council said this did not concern them, as;

"We as a Council feel that in the realm of private business there are certain aspects that we or anyone have no right to enter...
"...we are not concerned with individual customers' functions." (Amendment No. 6, pp.196-197).

This inquiry is particularly interesting because of the insights it provides into the Council's use of planning to bring about their political objectives. Central to this was their belief in the need to court industry into the area, which ruled out the possibility of taking any risk which might lead to the loss of an industrial interest and prejudice the area's status as an industrial location. In this the Council contradicted directly the views of their Planning Officer who had suggested adopting a more critical attitude towards industry, on the strength of the area's apparent attractiveness as an industrial location. It was Pease's view that the Council were now in a position of some power, where they could begin to take stock of and exert control over the impact of incoming industry, and not just lie down before every approach because of its support for their general policy on industrial development. Anything less, said Pease, and the Council would be failing in their duty as statutory planning authority:

"...although there is no legal or administrative reason to prevent the County Council preparing a quick Amendment to the Development Plan, in other
In choosing to reject their Planning Officer's advice, the Council persisted in the view that their commitment to industrial development could only be served properly by an immediate and unequivocal welcome for the proposals. As far as planning was concerned, they asserted again that the pursuit of industry and the need to accommodate industrial demands should supercede any other question. (Amendment No.6, pp.152-154).

At issue here is the degree of freedom to be enjoyed by industrial decision makers in determining their involvement in Easter Ross and in shaping the economic and social life of this community in the future. From their belief in the transforming power of industry to establish an area within the compass of modern industrial society simply by contemplating involvement there, the Council sought to accommodate every demand put to them by firms showing an interest in Easter Ross. It was appropriate, said their spokesmen, that industry should be free to dictate the course of future events without regard for particular implications, since the area's need to achieve industrial status transcended every other consideration. Sufficient control was, they said, available to the Council through the imposition of conditions on the
development of a project after the decision had been taken to
approve that project. This is to effectively hand the initiative to
industry and to commercial and political forces, to determine local
experience.

Planning Officer Pease's belief that such dependence on
commercial choice is both undesirable and unnecessary, and that the
local authority have a responsibility to control the effects of
incoming industry, stems from a different view, of both industry
and the planning process. He rejected the view, subsequently
adopted by the Council, that their identification with the economic
planning activities of the Highland Board as promoters of
industrialisation should supercede the local authority's
responsibility for physical planning considerations. From the
planning point of view, he said, industry is only one of a number of
interests competing for use of land, all of which must be held in
some sort of balance for the good of the whole community. Pease
emphasised the need to influence the pattern of future
developments, so that Easter Ross's involvement with industry
should not be marked by a series of ad hoc, piecemeal ventures into
the area on industry's terms alone. (Amendment No.6, p.569; CPO,
14.11.68) Assessment should be made of the physical impact to
result from the introduction of incoming industry, also the effect
on the local economy, in terms of new jobs, possible threat to
existing jobs, and loss of productive agricultural land. Time should be taken to consider the implications of the current proposals in detail and to consider the merits of alternative sites. In other words, carte blanche should not be given to industry. On the question of land use specifically, Proplan in their Report (see page \$1 \) had put forward unproductive land behind the lush areas on the shores of the Firth as a potential location for future industry. In fulfilling their planning responsibilities, Pease said, the Council should now explore that option, and not have choice of sites dictated to them by incoming firms. Control through the imposition of conditions alone involved the neglect of fundamental questions about the appropriateness of specific projects for this area.

George Pease was supported by Former President of the Scottish Branch of the Town Planning Institution, A.T. McIndoe, who reminded the inquiry that industrial demands had likewise dominated in the Council's response during the previous inquiry following the smelter's interest in Easter Ross sites:

...we heard we were very sorry, we would like to plan it properly but having got this wonderful chance of a smelter let us have it at all costs. We are hearing it again today. We will hear it again next year..." (Amendment No.6, pp.1858-1859)

McIndoe spoke for the objectors during this inquiry, dubbing the results of County Council compliance with company demands, "town
planning by land ownership" (Amendment No.3, p.2471; Amendment No.6, p.1886). The objectors were united in resisting what they saw as the abrogation of local interests in an all-out bid for industry on the part of the County Council. Said McIndoe:

"...What is required here is an overall policy. It seems to me just - it seems there is a complete lack of real policy about it. What is happening is anybody can buy a farm - well, the two companies who have done it, whatever farm they are able to buy, the authorities say: get on with it." (Amendment No.6, p.1853).

Planning Officer Pease's advice was lost on his Council who would not entertain the risk of seeking to exert some influence over the course of industry's involvement in the area lest any delays for planning purposes would result in the loss not only of the current project but of any realistic hope of future developments. Failure to accommodate the demands of incoming industry would lead, they said, to:

"the beginning of the end for the Highlands of Scotland." (Amendment No.6, p.120)

The Council insisted that they should demonstrate support for the promotion of industrial development through every means at their disposal, including in the exercise of their planning powers. To their satisfaction, they had established the prior claim of industry to any land desired by industry. It therefore fell to them to establish sufficient land within Easter Ross available for industrial use. The consequences could be dealt with later. They
were the consequence of the area's introduction into modern industrial society. This view, of the overriding need to attract industrial development to the area prevailed, and with it the power of industry to dictate the terms and effects (in the absence of countervailing action by the Council) of its involvement in Easter Ross.

When it came to the public inquiry, Planning Officer Pease backed down from the position he had previously chosen, of advising caution in responding to the proposals before the Council. Now he acted as uncritical spokesman for Council policy, echoing a comment from the previous inquiry, "Once you had your industry, then you could say what form your plan should take", (Amendment No.3, p.428), a complete reversal of his earlier arguments. Under questioning Pease gave his reasons for supporting the Council in going along with company demands:

- "Are you really controlling the Grampian situation, which I regard as an economic force?"
  "We control the location and layout of an industrial development but we cannot dictate to any company where they settle."
- "Are you sure that a Company cannot dictate to you, and are you sure this is not exactly what has happened, that they have dictated the site to you?"
  "I think they have indicated that land outwith the presently zoned area is as suitable to them as land within it, and that, therefore, commits us to look wider than we did originally for last year's Amendment." (Amendment No.6, p.616)

County Convener Murdo Nicolson accounted for the change in his
Planning Officer's attitude since he had recommended risking the loss of Grampian Chemicals for the sake of a coordinated strategy;

"I think that the Planning Officer at this particular point was doing what a very fine planner would do. Planners always want perfection, and he was seeking, I think, to have the more perfect way, naturally. It is only natural that a man qualified the way our Planning Officer is, who is a perfectionist by nature almost, would like the perfect way if at all possible." (Amendment No.6, p.154).

The rapprochement which took place between Planning Officer and Council was based on George Pease's acceptance of the Council's identification of much of Easter Ross as an industrial site, which effectively pre-judged physical planning issues there. Of the Council's pursuit of industrial development he now said;

"...I think it would have to be an essential part of any such policy that this area should be regarded as being potentially for industrial use." (Amendment No.6, p.382).

Pease returned to a principle he had first invoked to justify the Council's accommodation of the smelters' demands (with the argument that they were the first and necessary step towards industrial development), "planning in the real world". (Amendment No.3, p.492). This involves working within certain constraints, somewhat removed from the ideal tenets of planning. They are the constraints which result from handing over initiative to industry and the market, so that the Council's role becomes one of only responding to new demands:
"We can control the location and layout of an industrial development but we cannot dictate to any company where they settle" (Amendment No.6, p.616), and
"You can't force a developer to develop in a certain place. You can only say that he shouldn't develop in a certain place in a certain way." (Amendment No.6, p.543)

As Planning Committee Convener, Torquil Nicolson, put it during the inquiry:

-"So you wouldn't agree with what you might call a land use approach in which you consider all the various restraints in an area and then try to fit your development in to avoid these restraints?"
"I would be very happy to do so if it could be done realistically, but I don't think it can. You have got to face up to realities." (Amendment No.6, p.328)

Thus the situation was established in which Council commitment to industrial development would transcend even serious examination of the proposals before them, lest this should result in losing current and future industries and the credibility they could offer to the area as an industrial location. The Council's responsibilities for physical planning were henceforth to be defined entirely by the requirements of their policy on the promotion of industry. In rejecting their Planning Officer's advice to assess Grampian's proposals in order to incorporate them most appropriately within the area, and to prepare planning guidelines for the organisation of future industries, the Council demonstrated their concern to accommodate the demands of incoming
industry on industry's terms. As far as they were concerned, Easter Ross was a potential industrial site. It remained only for industry to come to realise that potential. Having rejected a role for planning as a means by which to ensure the optimum integration of industry within that community, they resolved, as we have seen, through their decisions on Grampian's proposals and in favour of zoning land ahead of industrial demands, to use their planning powers positively to bring about their ambitions of a future based on industry. For Ross and Cromarty Council Council decisions on the part of industry to invest in the area would in themselves determine the optimum organisation of industry within the community of Easter Ross.

This view and the Council's response, in seeking to accommodate industrial demands, is based on an assumption of shared interests. However, as the Council were soon to discover, industrial investment is responsive to a range of factors, including commercial and political influences. In seeking to act out their identification with the interests of industry through enhancing their area's attractiveness as an industrial location, the County Council recognised the competition between marginal areas for industrial resources. They did not recognise sufficiently, however, the disjunction which may exist between the interests of industry and the market place and those of a local community faced
with the prospect of new industrial activity.

The County Council's approach to industry in general carried into their involvement with the oil industry meant that the area was established as impotent against exploitation for its contribution to the national economy and company profits once its proximity to the newly-popular offshore oilfields had been appreciated.

The Reporter's Decision:

In announcing his decision after the inquiry, Mr. O'Brien, the Reporter, chose to cut through Council arguments regarding the need to support industry *per se*. While supporting their claims regarding the importance of bringing industry to Easter Ross, he questioned the appropriateness of the Council's choice to adapt their local plans to suit the demands of the particular company before them. The company had no experience in the kind of work proposed at Delny. He doubted if they could meet the time and cost limits which they had used as an argument for building on Delny instead of Nigg Bay. He pointed out that the compulsory purchase procedures required to obtain land covered by their plans would be sure to delay developments, introducing a time scale very different from that described by company representatives during the inquiry as absolutely vital to their operations and to the development of ancillary industries. He questioned the very possibility that
there were further industries just waiting in the wings until Grampian's operation was established, as the company had claimed. Nor could he support the use of Delny for Grampian's purposes on the basis of the expansionary needs of ancillary developments which, it was said, would be constrained by the requirement of building on a reclaimed Nigg Bay. Mr. O'Brien suggested "that the County Council had rather rushed into the Amendment." It would, he said, be more appropriate for them now to set about reclaiming Nigg Bay for industrial use rather than commit themselves to the present site on Grampian's terms. (O'Brien: Report, 23.6.69)

In his turn, the Secretary of State rejected his Reporter's assessment outright, re-establishing industry's claim to land in Easter Ross over the claims of agriculture:

"The Secretary of State regards this (the importance of there being land ready zoned for industry) as the fundamental issue involved in consideration of the Amendment and he regrets that this issue has tended to be obscured by an over-concentration on the particular application which is at present before the County Council for planning permission for the establishment of a petro-chemical complex." (S. of S., 23.7.69)

Thus, again, consideration of the implications of a specific development were subordinated to the drive to encourage the involvement of large-scale industry in the area. As the County Council had done before him, the Secretary of State had allowed himself to be rushed into approval of the Amendment. It took him
only a month to reverse his Reporter's decision. This led to controversy in the north, where the objectors had witnessed every attempt at caution being rejected on grounds of the need to accommodate Grampian Chemicals' demands. In support of his decision the Secretary of State revealed later that he had been advised that the Reporter Mr. O'Brien had been wrong in his calculation of the cost of reclaiming Nigg Bay, to which he had referred in deciding against the Amendment. (H.C. 511-V, p.42) This would be both a more expensive and lengthier operation than O'Brien had envisaged, and could not stand as a viable alternative to support the proposals currently before the Council. Thus despite a later abortive attempt by the Agricultural Executive Committee of the Highlands to appeal against this decision in the Court of Session, the Amendment was approved, and Grampian Chemicals were granted planning permission by the County Council.

Thereafter, Central and local government awaited development of Grampian's plans on the land the firm had obtained at Delny and Pollo Farms. Three years went by without sign of activity on the site, nor of the ancillary developments Grampian had claimed were waiting to follow them into Easter Ross. Rumours circulated the County to the effect that the company had run into money difficulties, that the Reporter had been correct in his assessment
of the firm and their prospects. For a time Mekie, Jenkins and their associates protested that this was not so. Then, Planet Oil, their major backers, removed their support from the project and the new Conservative Government withdrew the 40% investment grant support upon which they had depended (following the 1970 General Election). The company turned to European sources for funding, (Walkington 1970, p.63) but they were unsuccessful. Jenkins and Angus Morrison, the Managing Director, resigned and eventually their planning permission lapsed as the company failed to bring forward detailed plans in time for the deadline of July 31st, 1972. (P. & D. mins, 8.8.72)

By this time, the local Council were embroiled in negotiations with various firms expressing an interest in establishing on-shore facilities to support North Sea oil operations. They were therefore not too concerned to lose Grampian's proposals, especially as the land passed straight into the ownership of another prospective developer (Cromarty Firth Development Co.). The land remained zoned for industry. That suited the County Council in their eagerness to respond to the new interest in the area. As a legacy from their involvement with Grampian Chemicals, and with the smelter companies before them, they had the pattern set for their approach to this new period of industrial activity - uncritical accommodation - the implications of which we shall consider in the next chapter.
Although it had been known for some years that significant oil deposits lay beneath the North Sea, development of Britain's share of the Continental Shelf only became a commercial proposition in 1970, when a breakthrough was achieved in exploration of the Forties Field. In the years since then, North Sea oil has become an increasingly valuable commodity. Action by Middle East producer countries in 1973 to raise oil prices and to restrict the supply, had a directly inhibiting effect on many national economies, including the UK, which had been based hitherto on the availability of cheap energy. The development of North Sea Oil was therefore welcomed as the means to relieving the threat of a national economic recession. For the international oil companies, too, the Forties Field, quickly followed by others, brought a new lucrative field of operations.

In the UK, successive Governments have reacted to the availability of North Sea oil resources with a rapid depletion policy intended to gain maximum immediate benefit to the economy. The clearest statement we have of Government policy in this area was provided in 1974 by Gordon Campbell, Secretary of State for
Scotland:

"the national interest is to obtain as much oil from the North Sea as we can, as soon as possible."
(Hansard, 31.1.74)

In the oil industry in which each stage, exploration, extraction and production, is so dependent upon the others, the implications of Government policy are extensive. Taxation on oil companies' operations and oil prices were set at a level intended to induce rapid development of North Sea resources. This has important consequences for onshore developments, the demand for which is set by offshore activities, just as in its turn the onshore work of providing plant and equipment to support offshore activities is a major determinant of the rate of development of work offshore. A failure in any of these areas to keep pace with demand will result in a slowing down of the whole production process. In the early days of North Sea oil activities, the pressure therefore fell on platform construction to support the later stages of offshore operations.

Onshore oil-related developments affecting Scotland have therefore been closely linked with decisions affecting offshore activities regulated by the Department of Energy in London in the interests of national economic policy. In Scotland, responsibility for assessment of the economic impact on the Scottish economy, of physical planning and consideration of new projects and the provision of infrastructure lay with the Scottish Office and local
authorities. Central Government, represented by the Scottish Office, had anticipated neither the scale nor the pattern of oil-related developments affecting those coastal areas of Scotland bordering on the North Sea. Reference was made in the 1966 White Paper "The Scottish Economy 1965-70" to growing interest in offshore exploration and to onshore facilities: "... Sites available for further refinery developments exist together with deep-water berthing facilities... The exploration for oil and natural gas deposits in the North Sea is being vigorously pursued..." (Cmnd 2864, 1966) However, in none of the subsequent regional plans for areas along the North Sea coast were the implications of involvement in North Sea oil developments considered. Thus despite the fact that Britain had become engaged in the licensing agreement over the Continental Shelf in 1964, after several years of intense exploration activity, the actual licensing of North Sea oil fields and demand for production facilities brought pressures for the areas affected of which the physical planning ramifications had never been considered.

In their 1974 Coastal Planning Guidelines, the nearest thing to a strategy for oil-related developments to be produced, the Scottish Development Department offered their preferred pattern of onshore activities. (SDD, 1974) Here they tried to blend company choice reflected in existing sites with the attraction of future
developments to the Central Belt, the focus of regional policy priorities. A major step in this direction, reflecting Government concern over a possible bottleneck in the construction of oil production platforms, was their commissioning of two new platform construction sites, at Portavadie in Argyll, and Hunterston, in 1974. In announcing this decision, the Secretary of State for Energy stated that;

"...we should built as many platforms as we can in this country. The Government attaches great importance to encouraging United Kingdom industry to become an international competitor in the offshore market. Platforms are the key items of this market and the most expensive ... In general terms, the subcontracts for specialised equipment for the structure and the deck tend to follow the award of the main contract, so a British platform order means up to £60 million worth of business to British industry." (SM, 13.8.74)

In the end, however, company choice dictated events, so that the pattern of the Coastal Planning Guidelines was never achieved, and the Government's yards never received a single order. Their concern to see the oil industry reach a peak of activity prevailed over Central Government desires to deflect the course of oil-related developments to take in the populous Central Belt.

It fell to Highland local authorities to cope, totally unprepared and without direction, with the extraordinary demands brought by their attractiveness to the developing oil industry. As
Francis and Swan have shown, Government preoccupation with the short term industrial means and the jobs and revenue to accrue from rapid growth in oil activities ruled out consideration of economic, social and environmental ends in the areas affected. In time, they came to receive the support of Central Government, concerned at their inability to meet the demands of these new industrial activities and the possibility that this might restrict or limit expansion of the firms involved, but showing no concern over the local impact. (Francis and Swan, 1973)

Outside Aberdeen, which saw a great deal of oil-related activity, principally in areas of supplies and administration, the Moray Firth attracted greatest interest, as a site for platform construction, followed by Shetland, as the location for oil terminal and supply activities, and Peterhead (see Chapter 5) (see map 8 page 27). The Moray Firth area with Easter Ross at the forefront, had been singled out first as the site for the construction of steel-made oil production platforms because of those physical activities of deepwater harbour and areas of flat land which had long been sported by the local Council as a selling point - along with its proximity to offshore activities. When the Scottish Development Department described the type of area being chosen as sites for platform construction, they might have been describing the northern shore of the Cromarty Firth;
"the preference appears to be for locations near the potential fields from which oil is to be won, for locations where communications by land, sea, and air are easy and well-developed, and for locations where there are sheltered inshore waters." (SDD, 1973)

When it arrived, however, platform construction brought a scale and rate of development for which Ross and Cromarty County Council, despite all their ambitions, were totally unprepared. In this greenfield site, far from major centres of population, the arrival of oil-related developments by their very nature brought peculiar demands. There was no prior phase of construction as in the case of the smelter, apart from on-site arrangements for fabrication sheds and office buildings and the preparation of a giant drydock. This meant no time to prepare for the arrival of a new industrial workforce, to build for new communities. Construction was immediate, the demands in terms of a new industrial workforce and facilities to support them overwhelming. Turnock has described the pressure placed on Highland local authorities, including Ross and Cromarty County Council:

"It is no exaggeration to suggest that the accommodation of oil-related developments is, in the Highlands, the greatest issue of modern times." (Turnock, 1975)

MacKay and Mackay have looked to planning and foresight to moderate the effects of the inevitable conflict of interests which they perceive between the demands of a UK oil policy based on the need for
rapid exploration and production and the resulting strain on the social and economic fabric of the communities most affected. Observing that "the bulk of employment arising from North Sea activities will continue to be concentrated in the North of Scotland", they ask Central Government to recognise the significance of this within British economic policy by supporting Highland local authorities in meeting the financial burdens of oil-related developments, particularly with regard to the provision of infrastructure. They ask Central Government in its responsibility for defining off-shore policy to have regard for the onshore implications in terms of the social costs of economic growth to be borne by particular communities. Of Local Government likewise they ask in the exercise of their planning powers the active representation of local social and economic interests so as to afford the local community some measure of protection in the face of demands brought by the scale of oil-related developments and the perplexing uncertainty over the course of future events in this industry. (MacKay and Mackay, 1975, pp.139 & 158) In their examination of particular local responses, they describe that of Ross and Cromarty Council as the "discouraging example" of what a local authority can do. (op. cit. p.149) The County Council's failure to respond appropriately to the demands of oil-related developments they attribute to the "magic arithmetic" on which
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commitment to bringing about an industrial future led to the setting of targets in terms of infrastructure provision to support a large urban population and in terms of planning provisions an extensive industrial involvement.

That there might have been any disjunction between the interests of incoming industry and the local community did not enter into Council thinking. For them, local social and economic interests could only be served through serving the needs of industry. Now, in relation to oil, that most politically and commercially sensitive of industries, we are faced with a gap between the externally-motivated interests of incoming industry and the local community. For the history of Easter Ross involvement with oil is, on the whole, of disappointed ambitions, as successive companies failed to build upon the stake they took out in the area, and as, eventually, the political and economic interests behind the industry combined to by-pass the area.

Highlands Fabricators

It was with both satisfaction and relief that the County Council announced in October 1971 that Brown and Root of Houston, Texas, were "very interested" in "starting a 600-job development in Ross Shire well before Christmas", a project which it was said would
offer work for forty or fifty years. (APJ, 9.10.71) Still awaiting clarification over Grampian Chemicals’ intentions now that the company had been granted planning permission, the Council welcomed news of Brown and Root’s interest for the jobs on offer. (APJ, 15.10.71)

Despite all Council efforts to attract industrial investment to Easter Ross, local unemployment was standing at "an alarming level". As construction of the smelter drew to a close in the summer of 1971, a world recession in the demand for aluminium caused by over-production meant that the smelter started production at a reduced rate. BACO, who had promised 80% of the 400 available jobs to local people had to reduce the number of new jobs on offer. In addition, as is common at the end of a major construction project, many of those who had worked on construction of the smelter registered as unemployed, raising the unemployment level at a time when there was no work in new construction projects. To add to this, work at the distillery had contracted significantly and large numbers of men had been made redundant. The addition of school leavers to the unemployed role meant that by the end of 1971, even taking into account the new jobs which had been created by the arrival of BACO, local unemployment was higher than it had been before the beginning of the smelter project, as was local unemployment relative to the Scottish total. (In. Job Centre, 1976)
Council concern at the failure of new industries to materialise had led to the appointment of a small working group to encourage new interests into the area, but this, too, was faced with frustration in the autumn of 1971. The East Ross Working Group, comprising an architect, a planner and an engineer, was set up by the Council in 1970 to liaise on their behalf with incoming industry. It was to be concerned solely with the industrial promotion of Easter Ross and was to communicate with the Council only through John Robertson, appointed to the Council a few months earlier, whose idea it had been to form the Group. The lifetime of the Working Group was fraught with arguments and it never really got off the ground as the kind of incisive promotional body envisaged by Robertson. Council members from the West coast who were generally in favour of establishing an industrial base in Easter Ross argued against the area being singled out for preferential treatment, demanding that the Working Group’s promotional role be extended to the whole County. Council officials also reacted against the formation of this group on the basis that they were being usurped in the exercise of their proper duties at the time of greatest challenge. (Int. Lobban, 13.12.77)

Slowly but surely the reasoning behind the creation of the East Ross Working Group was watered down. In January 1972, the Council decided to extend its remit to take in the whole of the Ross Shire
mainland. Shortly afterwards it was wound up. Convener Murdo Nicolson and John Robertson emerged from this episode more firmly resolved than ever to bringing industry to Easter Ross and supported by their Council in a way that they had not supported the Working Group. Feeling that the Council had lost their nerve over the Working Group, Nicolson and Robertson resolved to accomplish all that they had set the Group. They felt vindicated by the arrival of Brown and Root. To this day John Robertson insists that the company’s interest in the Nigg site should be attributed to the free-wheeling promotional activities of the East Ross Working Group:

"...Thank God they were there because without them to my mind we would not have the likes of Brown and Root now and other things which came in or which are still to come." (APJ, 28.1.72)

Meanwhile, the Scottish Council (Development and Industry) (SCDI) claim that they were responsible for attracting the firm to Easter Ross and representatives of Brown and Root say that they had earmarked the area as a possible site for their operations a year earlier. (Int. Forsyth, 18.7.78) What is clear is that a great deal of activity was focussed on Easter Ross in 1971 as Brown and Root’s interest was made public. County Council, SCDI, HIDB were all active in promoting the area as an industrial location, and now after a hiatus since Grampian’s interest had seemed to fade, a new
company had found in the area the facilities it required for a major industrial development.

Brown and Root's interest in the area reflected a shift taking place in the oil industry to take in the Scottish east coast. Drilling for oil and gas had been taking place off the Scottish coast since 1965, but it was BP's success in three test wells sunk in the Forties Field during 1971 that established the North Sea as a major developable field. Brown and Root had experience of developing oil fields in many areas of the world, but they had never before encountered the conditions they would need to contend with in the North Sea. They proposed to construct on the site they had chosen at Nigg a production platform to be anchored in waters from 375 to 430 feet deep and capable of withstanding the force of waves 90 feet high.

In the 85-acre site at Nigg, Brown and Root's representatives saw flat land adjacent to deep water where quays could be built to take the giant structures they hoped to build.

"There are not many suitable sites on the East Coast in the U.K.. This site at Nigg would appear to be very suitable. It looks as if it is probably the best site." (APJ, 15.10.71)

In addition they welcomed the availability of a local labour force, looking for work and relatively naive in terms of industrial experience:
"We hope that from this area, which is a stable one in terms of industrial relations, we will be able to find a good proportion of the labour we need." (APJ, 15.10.71)

All that stood in the way of the Company starting work at Nigg were the need to obtain final results from a detailed survey of the land, the purchase of the land from its owners, author Eric Linklater and Mr Michael Nightingale, a merchant banker from Sittingbourne in Kent, and the granting of planning permission by the County Council to change the use of the land from agricultural to industrial purposes. In fact it took Brown and Root only two months to obtain planning permission for the Nigg site.

The request for the land in question to be changed in the Development Plan from agricultural to industrial use was not expected to provoke much interest, involving as it did only an area of mud flats and sand dunes. The County Council applied to the Secretary of State for an Article 8 Direction approving the change of use of the land covered by the application. (A Direction under Article 8 of the Planning Act allows the planning authority with the approval of the Secretary of State to grant planning permission for a development which is not covered by the County's Development Plan. Written representations may be lodged by objectors but, in practice, the long delay of a public inquiry is avoided.)

Their request for planning permission went before the Council
in October 1971 although the company still had to obtain an Industrial Development Certificate from the Board of Trade - considered only a formality by Council and Company representatives alike. (APJ, 9.10.71) A month later, on 11th November, the Council gave notice of their approval for Brown and Root's plans to develop the site as a yard for the construction of oil production platforms, (APJ, 12.11.71) and with equal haste, the Secretary of State indicated his approval in December, seeing "no reason to refuse the County Council's application for a Direction enabling them to grant full planning permission". (SM, 10.12.71) (Six letters of objection had been received by the Secretary of State. Of those, three had subsequently been withdrawn. None of the letters raised any serious issue with the zoning action and they were dismissed.)

Sure of their site, Brown and Root now joined forces with Wimpey & Co. with whom they had worked on earlier projects, in a new company called Highlands Fabricators. Two-thirds of the new firm was owned by Brown and Root, the other third by Wimpey whose job it was to prepare the site for platform construction. By January, 1972, only a month after the building of their yard had been approved by the Scottish Secretary, Highlands Fabricators announced that they had won their first contract. This marked the first platform order to be placed in the U.K., £10 million for the largest platform ever built, to be put into operation in BP's Forties Field. Chairman of the
Planning Committee, Torquil Nicolson, welcomed the news:

"This is the breakthrough we have been waiting for. It will go a long way to help the unemployment situation. It is excellent news." (SM, 14.1.72)

Ironically, as Highlands Fabricators' operation got under way at Nigg, it was announced that the Occidental Corporation of Los Angeles, which had talked of coming to Invergordon in 1966, had been granted approval for a big oil refinery at Canvey Island, Essex. This news merited only a few lines in newspapers whose headlines proclaimed that a "Drift North can be oil boom's outcome". (APJ, 26.2.72)

By March 1972, Wimpey's work was well under way towards completing the £2 million site, a major feature of which was to be the creation of a giant drydock to hold the platform. Also by this time, Highlands Fabricators (Hi-Fab) had begun an extensive recruitment operation for welders and steelworkers with the promise of a 12-week company training programme for 500 men. (SM, 29.2.72)

Reflecting on these events in the years since Highlands Fabricators arrived at Nigg Bay, members and officials of the County Council have freely admitted that this project was far from what they had in mind for the area. At the same time they describe the hope which it brought to the County of a real industrial future, perhaps to be based on later projects following platform
construction into the area. (Int. Robertson, 20.12.77) At the end of 1971, with one out of eight men in the Dingwall/Invergordon area unemployed and the 578 men unemployed in Invergordon representing a higher total than in pre-smelter days, platform construction was expected "to save the day" (APJ, 18.1.72). For Central Government, too, developments at Nigg, the first platform construction site, were attached with great importance. At the end of his visit to see Highlands Fabricators' yard in construction, Conservative Secretary of State for Scotland, Gordon Campbell, concluded that "Scotland should be the 'Texas of Europe'." (APJ, 7.4.72) When Prime Minister, Edward Heath, visited the same site a few months later to re-affirm the Government's interest in the work he stressed the integral importance of these developments to the future of the whole of the U.K.:

"We must now make sure everyone north of the Border appreciates what is being done and everyone south of the Border realises its importance for the nation."
(APJ, 9.9.72)

Demand for Platform Construction Sites

Only days after Brown and Root had been granted planning permission the potential of the North Sea was underlined by an announcement from BP of a £160 million first-phase development programme for their Forties Field. Then, as offshore activities built up, another firm, J. Ray McDermott, was granted permission in
December for platform construction at Whiteness Head near Ardersier in Inverness Shire, and the following day Redpath Dorman Long announced their plans for which they were subsequently given permission for the building of platforms at Methil in Fife. (SM, 28.12.71)

For the next two years, from 1972 – 1974, the great burden of responsibility for supporting developments in the off-shore industry in the national interest was to lie with platform construction, and at the heart of this activity lay Easter Ross. The County Council in seeking to respond to rapidly changing circumstances found themselves amidst a volatile set of forces. These years were to illustrate this fact, pointing to the ability of the forces of the market and political interest to dictate local experience. In a position of considerable weakness, having no experience of developments of the sort, but being generally in favour of industry, the Council’s response was to go along with industrial events.

In the absence of any directive from Central Government, it fell to Ross and Cromarty County Council to decide on each new proposal’s merit in light of Council priorities. The Secretary of State was given an opportunity to assess events in Easter Ross according to national policy on those occasions on which he received from the County Council applications for Article 8
Directions. Had he for any reason disagreed with the Council’s approval of the project in question, he could at this stage have refused to provide the necessary approval. At no stage however was there any evidence of a discontinuity between Central and local objectives on the matter of encouraging the development of platform construction sites. When the Secretary of State did eventually refuse to provide any more Article 8 Directions, it was to demand of the Council that in the light of changing events in the County they should address themselves to a thorough re-working of the Development Plan to obviate repetitive and time-consuming demands for approval for individual cases which in themselves were quite consistent with the policy of industrial development (this became Amendment No 10 - see Chapter 4). (S.of S., 11.1.73)

The first six months of 1972 were hectic for the County Council. In January the Planning Committee granted planning permission in principle to a firm called Mid-Continent Supply (UK) Ltd., the London subsidiary of a Texas firm, for the development of an oilfield supply base and jetty facilities. Most of the land covered by this company’s application at Dalmore, Alness had already been zoned for industrial use. Now the company were supported in their request for an additional area to be included to take in the pier at Alness (see map page 162). Only days after having their plans
approved in principle, Mid-Continent Supply revealed a new production platform design which they intended to market. They listed three possible sites for the development of the new design, the Cleveland Colossus, one of which was the Cromarty Firth. (APJ, 25.2.72)

Before receiving further applications, being convinced that, as the local press put it, the race was on for industrial space in the Cromary Firth, the Council reacted by recommending that the industrial estate at Evanton be extended to accommodate an influx of oil-related developments. (1) In supporting this move, Planning Officer, George Pease, reported to his Committee that:

"...there was a clear need for more sites for development of subsidiary industries close to those developments." (SM, 8.3.72)

In March, hopes were raised in Easter Ross that the demand for steel for offshore activities would lead to the establishment of a new steel mill close to the Cromarty Firth. The prospect was particularly welcomed because of the possibility of diversification into related areas of manufacturing. (APJ, 22.3.72)

Before anything more definite could develop either in regard to platform construction by Mid-Continent or to the construction of a steel works, in May 1972, the Council received another application for planning permission in principle, from a consortium of Richard Dunstan Ltd., shipbuilders from Yorkshire, and three Italian
firms. They wanted permission to develop 164 acres beside the Cromarty Firth at Evanton for oil platform construction, also perhaps the construction of supply vessels, pipe laying barges, and a steel-rolling plant. They expected to employ an initial 400, more as business expanded. Receiving only one note of objection (from the Scottish Wildlife Trust) and enthusiastic support from the local Evanton Community Association, the Planning and Development Committee approved the project and applied to the Secretary of State for an Article 8 Direction to grant full planning permission.

(SM, 31.5.72)

In the middle of May, news of another proposed development reached the County Council, when they received an application for planning permission, from M.K. Shand Ltd.. This application related to approximately 40 acres of land lying between the main railway line and Saltburn village near Invergordon, on which it was proposed to erect a plant for the coating of pipelines for the oil and gas industry. This application aroused a considerable degree of public anxiety, mainly on grounds of amenity and environmental considerations. M.K. Shand reacted to allay public fears by holding a number of public meetings in Easter Ross, during which they revealed that their £750,000 plant would offer jobs for 120-150 people, mostly locals, for at least 15 years. They had received a £4 million contract from BP to supply coated steel pipes for the 150
miles from the Forties Field to Peterhead. The pipes would arrive by sea to BACO's pier and would leave from there, wrapped with steel and heavy-weight iron ore concrete. Their plant would include 50 acres for storing the pipes.

The Invergordon site had attracted his company, said one Shand spokesman, for three reasons - its deep water harbour facilities for loading; its proximity to the operations of oil barges at work in the North Sea; the promotional work of the Scottish Council (Dev. & Industry), the HIDB and the Department of Trade and Industry in drawing their attention to this existing area of zoned land which could be developed at short notice. In common with companies that had expressed an interest in the area before them, Shand's representatives anticipated that the Cromarty Firth would "probably be one of the major areas of service for the entire oil and gas industry". (APJ, 25.5.72)

The Planning and Development Committee agreed to grant M.K. Shand planning permission to proceed with their proposals subject to conditions regarding amenity and public health. (P&D mins, 16.5.72) In fact, the land required by Shands was part of the large area owned by BACO. It was leased to M.K. Shand and the company proceeded rapidly to develop their work at Invergordon.

Dubbed the "Ross pipe dream", in under two months after receiving planning permission, work on their first contract was
under way - with a commitment which contrasted with their temporary Portacabin office blocks over-looking the coating and transporting work. These temporary offices remained unaltered, as test units were prepared, and employment rose well beyond early estimates of 120 within only a few months.

June 1972 saw the emergence of another set of proposals for platform construction, this time from Taylor Woodrow Construction, who had held the contract for the construction of BACO’s smelter at Invergordon. (SM, 2.6.72) Departing from platform designs which had so far been dominated by assorted arrangements of steel, Taylor Woodrow proposed to build platforms based on pre-stressed concrete. This represented a new idea for operations in the North Sea, and if they won a contract the company said they intended to start work on a £2-3 million yard in the Cromarty Firth. They had surveyed a site of more than 120 acres on the Alness foreshore adjoining that 28-acre site possessed by the Mid-Continent Supply Co.. Initially, they would employ 380 workers, of whom 300 would be locals. This figure would increase if diversification into concrete storage tanks for oil, according to a Norwegian design, were eventually to be practicable. (APJ, 4.7.72)

Despite their familiarity with the area, and any hopes they might have entertained that their plans would receive the same welcome as others before them, Taylor Woodrow were to enjoy a
different fate at the hands of Ross and Cromarty's Planning and Development Committee. Approval of Taylor Woodrow's application was deferred because the Planning Committee feared that the particular choice of site named by the Company would inhibit the progress of future industrial developments on the shore of the Firth. They feared the jeopardising of existing proposals from Dunstan-Sapiem and the possibility of obstructing ship movements in the Firth. (P&D mins, 3.7.72)

Now it was revealed that Mid-Continent Supply had joined forces with Cleveland Bridge and Engineering Co. in plans to produce Cleveland-designed platforms in Easter Ross. Commencement of this work only awaited a contract - and further upstream, following Secretary of State approval, Dunstan-Sapiem gained final planning permission. This company also now waited for a contract before developing their Alness site. (APJ, 31.5.72)

Meanwhile, another scene had been approaching a conclusion next door to Highlands Fabricators' operations, on land at Nigg Bay. Oil Fields Supply Centre who had bought land at Nigg Bay had found that they could not develop their site because a stretch of foreshore, 644 feet in length, was owned by Michael Nightingale of Cromarty Estate. Nightingale offered to lease the land to the company, but they refused, insisting on outright ownership over the land before they would develop their plans (APJ, 29.6.72) The
County Council now stepped in to support development of the project - which the Secretary of State had already approved with an Article 8 Direction. In July, the Council agreed to a request from the company to compulsorily purchase the area of the foreshore to release the site for development. (P&D mins, 3.7.72)

Still another project was mooted for Easter Ross during June 1972. Local landowner, the Laird of Novar, joined forces with Clydeside Shipping magnate, Sir William Lithgow, to form a company called the Evanton Development Co.. On land east of the area zoned for Dunstan-Sapiem, they proposed to develop 600 acres for a multiplicity of purposes, including purpose-built factories, wharfage and harbour developments and fabrication. (APJ, 17.7.72) Then in July, after domination by foreign companies earlier in the year, British interests built up their involvement in the area. SIBCAS, a Bathgate firm of system building consultants, made public their plans for the development of land at Fearn airfield, a former Royal Naval Air Station, for a factory-built unit building complex. At the time of their interest being made public, like many other interests which had and would emerge in this area, they were actively engaged in arranging financial backing - on which the development of their plans would depend. (SM, 26.7.72)

Throughout this period the Council had reacted to each new proposal with encouragement. In line with their commitment to
industrial development they had approved every one - with the exception of Taylor Woodrow, lest it should impede future developments. Their decisions had been endorsed consistently by the Secretary of State in granting Article 8 Directions. They were satisfied that the area was set for a busy industrial future, that the promise of Easter Ross as an industrial location had been established beyond question.

In this context, the announcement that Grampian Chemicals’ planning permission had lapsed with the company’s failure to meet the July 31st deadline for submissions of detailed plans did not dismay the Council. It had seemed likely that the company would default, and Council members were glad to have the land still zoned for industry and available for future developments. Another company also left the scene on 1st August. Oil Fields Supply Centre announced that their interest in the area had cooled with the passage of time caused by Nightingale’s failure to release the land they required. (P&D mins, 8.8.72) They suggested that the pressure for Easter Ross land had passed its peak, but they still asked a good price for their land, 50% more than they had paid for it only six months earlier.

In the second half of 1972, the Council were faced with decisions over three applications for platform construction, two of which had been before them earlier and a new one from Costain
Engineering. The Council now altered their approach slightly to introduce a more critical perspective on this most recent application, coming in the aftermath of heightened interest in the area.

In September, 1972, the British firm of Costain Civil Engineering Ltd., London, lodged an application for planning permission in principle with Inverness County Council. They proposed to build a £1 million platform construction yard on one of two possible sites near Fort George. Their request was turned down by that County Council on grounds of amenity. It was felt that the sporadic siting of construction yards, on company demand, should be avoided on account of the consequent widespread effect upon local community life-styles. It should be avoided, it was said, at least until a careful, comprehensive assessment of local amenities and resources could be made, against which the implications of future developments might be gauged, and an ordered development achieved.

A number of objections had been received from various local community bodies, such as Fortrose Community Council and Ross and Cromarty County Council (ironically), regarding the visual and environmental disruption which could follow from the development of either of the sites in question. Admitting to their disappointment with the Council's decision, Costain's representatives turned to Ross and Cromarty Council with a similar
In their approach to Ross and Cromarty County Council, Costain proposed to join forces with Mid-Continent Supply Co. Ltd., who had previously been granted planning permission for the development of their site on the foreshore at Alness. These companies now combined to apply for permission to construct a yard for platform construction on a 150-acre site further along the Coast. This site was next to that over which Taylor Woodrow awaited a decision beside the River Alness, on the shore-front at Dalmore. Costain had been investigating the possibilities of building concrete platforms for the North Sea. The site they had earmarked was, they said, ideal for this purpose. All they needed was an order:

"Neither Mid-Continent nor Costain hold any contracts and a starting date for the site works at Alness depends on obtaining at least one." (SM, 1.11.72)

Ross Shire's County Council responded favourably to news of Costain's 465-job project. One member of the Planning Committee was quoted in the Press:

"I would welcome this development. The facilities for the company are ideal and I think we should try and encourage this sort of development." (APJ, 10.10.72)

At its meeting on 4th December, the Planning Committee were asked to consider in addition to the Costain application, their action on Taylor Woodrow's application which they had first
deferred, then approved, and which had now received Secretary of State approval, and the Dunstan-Sapiem proposals over which there seemed to be some doubt. Speculation had surrounded this project ever since it had emerged in October that through the Sapiem connection, (a division of the Italian state oil company, ENI) the Consortium had joined forces with the Redpath Dorman Long subsidiary of the British Steel Corporation. Redpath Dorman Long had a contract to build a platform for Shell-Esso’s Auk field in the North Sea, and were engaged in preparing construction facilities for this at Methil in Fife. It was announced some time afterwards that this Anglo-Italian partnership would take over the Methil yard, trading under the name of Redpath Dorman Long (North Sea). At this stage, in December 1972, however, the company indicated their desire to be involved in an application for an Article 8 Direction being prepared by the Council.

Thus, when they turned to consider their third proposal of the day, but the first new one, the Committee opted to refuse Costain’s application until a thorough appraisal could be made of the implications of developments affecting the area thus far. (P&D mins, 4.12.72) This step was taken partly through greater confidence on the Council’s part, that they had in in Easter Ross a valuable resource which they should manage carefully; also a growing awareness of the weaknesses of a piecemeal approach to
planning (within a general policy commitment to industry) which had characterised Council activities thus far. Council members now reflected with some concern on the events of the last few months, which had seen large stretches of the area taken over for platform construction:

"We must be particularly careful we do not put all our eggs in one basket and destroy our environment and our amenities", (APJ 5.12.72)

said the new County Convener, the Earl of Cromartie. He was joined by the Convener of his Planning Committee, Torquil Nicolson;

"It could well be that there is an over-emphasis on the building of structures in this particular area. We might find we are giving away all our waterfront in this area and that might have a very serious long-term effect. We must be extremely careful...

"So far we have given blanket coverage to attracting industries, and within a year there have been tremendous happenings here. I feel it would not be in the best interests of the county to accept everything that comes along, and instead we should sit back and study what is happening in the Cromarty Firth." (APJ, 5.12.72)

Towards the end of 1972 a shadow of doubt and uncertainty had begun to affect Easter Ross. Companies had continued to come forward to take control over land at the centre of the rush for platform construction sites, but platform demand failed to reach a level which would see many of them with a contract or their sites viable. The particular technical demands of working in the North Sea militated against the proliferation of contracts - or viable sites.
The yards which did have orders found that their skills and knowledge were fully taxed by the pressures of innovative design. With the exception of Hi-Fab the companies that had come to Easter Ross awaited orders for production platforms, and apart from M.K. Shand and small-scale supply activities none of the other projects was active. They awaited a growth in construction work, off-shore activities or further onshore processing developments before they could take their plans a stage further. This hiatus in activity disturbed members of the Council, who saw neither the oil-platform construction sites nor other oil-related industries fulfilling their promise of work or of attracting further developments. The fact that Mid Continent required their site for just two years only reinforced Council concern. John Robertson described his Council’s misgivings:

"It would be disquieting if oil should attract short-term or cyclical industry."(APJ, 5.12.72)

The Council’s decision to take stock, after a year of intense interest in which the prime sites along the Cromarty Firth foreshore had been taken into the control of a series of companies all awaiting orders before developing their sites, hardly merited the title given to it in the Press, "calling a halt to the oil drive."(SM, 5.12.72). Their general outlook on industrial development and commitment to seeing the oil industry flourish
remained unchanged. In fact, only a few months later they were again in the business of approving platform construction proposals when they granted planning permission in principle to another British-Italian consortium, Brital Marine, to build platforms at Evanton.

Rather, in the course of 1972 the Council had come gradually to appreciate the particular dilemma with which they were faced in their encounter with large-scale industry in the shape of oil-related developments. In line with their commitment to industry they could continue to grant planning permission to proposals for incoming industry. Industrial development could not take place unless they did so, but this offered no guarantee that development would follow. Prior to the arrival of oil they had established the practice of granting planning permission as a means of encouraging industrial development. Although experience over Grampian Chemicals and Occidental had demonstrated the limitations of this view it was now, with oil, that the Council were faced with the power of the market to determine whether their actions in granting planning permission would be rewarded by new industrial development. Where they had seen local community interests as identical with incoming industry, the Council were about to be shown that they were quite separate, as the tide of oil-related developments moved on.
As the Council began to appreciate that the interest being shown in Easter Ross by a succession of firms might justify a more critical planning response, if the area was not to be entirely dominated by a single industrial activity of limited duration, they were overtaken by a series of land deals which they could only observe from the sidelines – the legacy of past action.

Firstly, the site which had been owned by Grampian Chemicals changed hands. It was bought by a firm called Scottish Technopark Estates, which had been formed only a month previously by a group of investment trusts. (APJ, 23.8.72) A few months later the land was transferred to a new company, called Cromarty Firth Development Co. (CFDC) (2), which had been given the task to "acquire property around the Cromarty Firth identified by various oil companies and Government bodies as a prime site for early participation in the oil boom". (APJ, 7.3.73)

After paying almost £1 million for Grampian's land, CFDC bought neighbouring land on Pollo Farm to form a "major industrial site to be known as Cromarty Firth Midas". (APJ, 7.3.73) Then they bought another nearby farm, Pitcalzean Mains, for more than £1 million for "a wide range of activities based on oil, possibly including refining". (APJ, 23.3.73) Next they bought a further stretch of land at Balintore and land at the disused Fearn airport, which they proposed to re-open, for nearly £1 ½ million. They entered into an
agreement with an Inverness building firm to provide 500 homes at
Evanton to support industrial growth. They then tried to buy
Balintraid Farm next to Delny which they already owned. John and
Jean Forsyth who owned Balintraid had all along been amongst the
most vocal opponents of the loss of land to industry and they
refused to sell. Eventually, however, they gave in, believing that
otherwise the County Council would support CFDC’s promise of
industrial development by imposing a compulsory purchase order on
the land. (Int. Forsyth, 17.7.78)

Before the sale of Balintraid was complete CFDC ran into real
difficulties which eventually led to their withdrawal from the area
and the abandonment of their plans. The company had spent almost £4
million in buying more than 3,500 acres of Easter Ross, but the
failure of ancillary industries to develop, along with a levelling
off in platform construction left them only with rising interest
rates and large tracts of land for which there was little demand. In
addition, a press campaign exposed the National Trust, arch-
conservationists, among those behind CFDC. (e.g. Private Eye,
18.5.73) Public discrediting of the company’s operations followed,
with charges of carpet-bagging and crude speculation being aimed at
them. Several influential backers withdrew their support, and in
1973 CFDC sold off the land they had bought at Nigg. For a time CFDC
persisted in an attempt to establish smaller projects in Easter
Ross, until, in 1975, they withdrew, leaving in a very different atmosphere from that which had greeted their arrival 2 1/2 years earlier. Throughout this time the Council looked on as a large area of the County, much of it zoned for industry and critical for the outworking of Council ambitions changed hands. Over the land involved which was already zoned for industrial use, they had had their say. They would have to wait for proposals from the new owners before learning of the future for land not yet zoned. A.T. McIndoe's comment during the public inquiry prompted by the smelter's applications is apposite here, "town planning by land ownership". (Amendment No.3, p.2471) Now, through the intensive activity of the oil industry and volatile market conditions, the weakness of the Council's position is exposed. They could only hope that the new owners had definite plans for the land, and were not just interested in speculation.

1973-76: Cromarty Petroleum

In the next episode to affect Easter Ross, involving the possibility of a new petro-chemical project being built near Nigg, the Council did for a time adopt a more critical attitude towards incoming industry. They weighed up the consequences for the local community of approving the project and decided the cost was too high, until the alternative, of losing this and possible future
projects, led them to change their minds. This episode is important because it demonstrates a concern on the part of the Council, not shown hitherto, to give some priority to those factors in the community which stood to be affected by the arrival of the new project.

In the end however, after supporting the project through a lengthy public inquiry, the Council found the industrial development of their Easter Ross site exposed as a matter of political and commercial choice in which they had no locus – none, that is except in setting the ball rolling through the granting of planning permission. Loss of political support for the project, then a decision from Cromarty Petroleum to not invest in the area, illustrated the overriding importance of changes in market conditions in influencing investment decisions, far outweighing the influence of an attitude of accommodation on the Council’s part.

At the end of 1973 the County Council received three applications for planning permission, for underground storage facilities, a marine terminal and refinery, involving land near Nigg Point opposite Cromarty (see map § page 182). This was part of land sold to National Bulk Carriers by CFDC. National Bulk Carriers was part of the D.K. Ludwig organisation of Daniel Ludwig, reportedly the world’s richest man (whose brainwave was the
Map No. 5 - Easter Ross Industrial Sites

- Land zoned for industry
- Inverness area
- Land earmarked for reclamation
supertanker - a 200,000 ton ship can carry twice the volume of oil carried by a 100,000 ton vessel, but it costs only 20% more to build and operate). The proposals related to a firm called Cromarty Petroleum Corporation Ltd. which had come into existence only a few months earlier with a share capital of £100 wholly owned by the Ludwig organisation.

Cromarty Petroleum's proposals were backed by survey reports and a report from Fluor Ltd. of London on the environmental impact of an integrated refinery project. It was explained that the refinery would eventually process 200,000 barrels of crude oil a day. The crude would come from the North Sea, the Persian Gulf and Africa, but the plant itself would be capable of operating on 100% North Sea crude.

Construction of the plant would take slightly more than three years, with a projected requirement for temporary construction workers of 36 months. Demand for construction labour would peak 12 months into the work. This peak would be sustained for 18 months, before falling rapidly in the final 6 months of construction. Thereafter, permanent work would be available for 450, many of whom the Company promised, would be recruited locally and given training.

It was recognised that environmental impact would be one of the major hurdles facing any oil-processing plant proposed for the
largely unspoilt Highlands. Thus the Fluor Report stressed the ability of Cromarty Petroleum's plans to comply with existing standards, and in terms calculated to forestall objections offered assurances regarding the company's commitment to protection of the environment. (CC mins, 12.12.73)

These applications were considered by the Planning and Development Committee at a meeting early in January 1974. (P&D mins, 7.1.74) In light of the scale of the project and the particular characteristics of process industries, the Committee opted to seek the advice of consultants in relation to three main areas, environmental feasibility, visual impact and noise and vibration levels. In addition it was agreed that the County Planning Officer should prepare an impact study, and that "information should be obtained as to the necessity for a refinery from the national economic interest". (PI ref. paras, 3.1.22 & 3.9.28)

The Council's consultants all replied in the same vein. They doubted the company's ability to meet the standards that had been set out in the Fluor Report. In relation to the visual impact, the Architects Design Group of Nottingham stated that Fluor's assessment of landscape requirements illustrated "a fundamental under-estimation of the situation". (Architects Design Group., 1974, Section 1) The final decision, however, had, they said, to lie
with the Council in balancing environmental considerations with
the claims of industry. Commenting on the environmental
feasibility of the project, Cremer and Warner Consulting
Engineers, set Cromarty Petroleum's proposals in the context of
Council policy on industry, suggesting that this was the kind of
industry which would probably be attracted to the area (the Proplan
Report of the HIDB in 1966 had also said so - see page 81):

"Bearing in mind the R&CCC policy for encouraging
industry in the Cromarty Firth area the types of
industry likely to be welcomed as an alternative to a
refinery were potentially the same type of
pollutors, e.g. papermills, steel processing plant,
petro-chemicals." (Cremer & Warner, 1974)

The significance of Council policy in defining the context
within which the present proposals should be seen was emphasised by
the Architects Design Group:

"if the proposed refinery had been the first and
initial suggestion for development on Nigg Point
there is little doubt that we would have recommended
that the area should remain undeveloped". (Architects Design Group, 1974, Section 2)

In his impact statement, Planning Officer Pease reported along
similar lines. The proposals complied with the Council's policy
commitment to industrial development, so he would not concern
himself with questions of principle. He went on to lay down the
areas in which the Council should act in order to control the impact
of Cromarty Petroleum's scheme upon the surrounding community. In
doing so he drew attention to an aspect which had not fallen within the remit of the consultants' studies: the need to be sensitive to present labour and accommodation problems affecting the local area, and for careful timing of this new project so as not to exacerbate those. (CPO, 1974) George Pease was reflecting a concern felt by a number of Council members, that the community's resources were already stretched beyond their capacity by existing demands for housing, schools etc. Company estimates of 450 permanent jobs would, he said, involve a population increase of 1800. For his part, Pease preferred a lower total, of 350, but even that would lead to a very significant addition to the population of Easter Ross. If this increase were simply to be grafted on to the existing population, an intolerable strain would be placed upon the Council's capacity for service provision. Alternatively, if the project could be timed to complement the declining opportunities in other projects, greater long-term stability could be achieved.

On the question of the need for a new refinery, Pease was equivocal:

"Such information as is available suggests that there is no need for a new refinery in the Cromarty Firth, either from a national or a local viewpoint, though a refinery could make a contribution to the relative stability of the local economy". (CPO, para 9.1)

During preliminary negotiations with the company, Pease had
succeeded in obtaining only the most general information regarding their plans for development of the Nigg site. So incomplete was the information provided by Cromarty Petroleum that company representatives were asked to meet with Council members and representatives of their consultants in May 1974. At this meeting the company revealed that while they would anticipate expanding on the basis of their refinery activities in the future, they "had no plans to go into a petro-chemical plant". (PI ref. 3.9.39) They also scaled down earlier job estimates, now offering a total nearer Pease's figure, of 340 permanent jobs, and they disclosed that they were considering making changes to the plans they had previously put before the County Council for approval - although no hint was given as to what those changes might involve. At this meeting, six months after the company had first come on the scene, the information supplied was still mostly of a general nature. Company officials went to some lengths to emphasise the consistency of Cromary Petroleum's proposals with Council policy on industry and to stress the gain for the local community in terms of new jobs. They informed the Council of the need for accommodation to suit their workforce, asking for support in the provision of housing to make their venture feasible. They gave confident assurances that their project would comply with pollution control limits, while not yet disclosing the precise nature of their proposed operation.
When asked in the past to assess the impact of particular projects, the Council's response had been unequivocal support for industry. This had been their decision in regard to the proposals from Occidental, the smelter companies and Grampian Chemicals, all of which had held significant environmental impact for the area.

Now the Planning and Development Committee wavered. Conscious of the intensive interest shown in Easter Ross in recent years, but also of the current proposals with their environmental implications, some Councillors felt that they did not want to be rushed into this next project. Thus, at a meeting at the end of June, having had before them their consultants' reports and that of the Planning Officer, the Planning and Development Committee voted 8 to 7 in favour of turning down the applications. They gave the following reasons for their decision:

(a) the applications were premature;

(b) the proposals were unacceptable from the point of view of visual amenity; and

(c) in regard to Application Area 3 (for storage facilities) the proposal would involve the loss of agricultural land of good quality. (P&D mins, 24.6.74)

This decision was to be short-lived, however. Only three days later, at a meeting of the full Council, the matter was raised again. Reflecting on Ross and Cromarty's apparent inability to
negotiate effectively with industry over the terms of its entry to the area and citing Shetland as an example of one Council's ability to strike a bargain with incoming industry, offering the local area some degree of protection, one Councillor, W.A. Reyntiens, introduced the subject. Although the refinery decision was not on the agenda, the County Clerk and Convener seized the opportunity to invite general discussion, provided that the notes of the planning decision were not discussed and Councillors accepted that "the determination of the planning applications was the delegated function of the Planning and Development Committee", therefore beyond their bounds. (CC mins, 27.6.74)

John Robertson who, as a member of the Planning Committee, had tried to save the proposals during that earlier discussion by suggesting that the company be invited to submit new applications in line with Council requirements, now stepped in. He referred to the "depth of feeling, dismay and disgust" shown by his constituents at the decision to turn down the refinery. He presented a petition to the Council containing 900 signatures from individuals opposing that decision. He suggested that it was nonsense to turn down a project of such significance on the basis of mere details concerning the impact or visual amenity. Robertson asked that the Committee be invited to reconsider their decision or that the Secretary of State should be asked to call in the
applications so that he could make final judgement. He may well have taken heart in making this latter suggestion from comments attributed recently to Minister of State for Energy, Gavin Strang, expressing his disappointment at the Committee's decision to refuse the application before the Government had established its own policy on oil refining. (PI ref. 3.2.13)

Support gathered for the suggestion that the Planning and Development Committee's decision should be reconsidered. Those who had been the most influential in establishing the Council's policy on industry now took the lead. Murdo Nicolson, quickly dissociated himself from the decision to turn down the project. He argued that it had been not only wrong, but a complete reversal of Council policy, a policy which had been arrived at many years before and which had been reinforced by subsequent decisions taken by the Council. Now he urged the Council to reconsider their Committee's decision "in the light of the evidence which was forthcoming from the majority of the electorate". (CC mins, 27.6.74)

Members of the Planning Committee retreated under this force. Those who had been absent from the meeting said they could not support the decision, and Councillors who had voted against the project now offered to reconsider the issue, saying that they might have reached a different decision had they been better informed of the company's plans. It was duly decided to send the Cromarty
Petroleum applications back to the Planning and Development Committee (CC mins, 27.6.74) and when they met again in July, the applications were approved with certain conditions attached. In a complete turn-around, the Council now showed they were strongly behind the project, voting 13 to 5 to support Cromarty Petroleum (P&D mins, 30.7.74), and on 1st October a revised set of applications was duly submitted to the Planning and Development Committee along with a second Fluor Report. On a clear vote of 11 to 6 they received approval (P&D mins, 1.10.74) and application was made to the Secretary of State for the necessary Article 8 Direction to grant final approval. The Council then asked their Planning Officer to prepare a list of conditions to be imposed on the project. (P&D mins, 28.10.74)

Bitter public controversy had followed the Council's decision to support the refinery. As a result the Secretary of State refused to grant an Article 8 Direction, calling a public inquiry instead. (P&D mins, 5.12.74) In the weeks leading up to the inquiry, which opened on 11th February 1975, the local countryside was festooned with leaflets for and against the refinery. Two main groups formed, and subsequently dominated the public inquiry. SCOT (Support Cromarty Oil Terminal) identified with the theme of industry for jobs. Its roots were in the unions of the Hi-Fab workforce,
industrial workers looking for a secure industrial base. They were joined by John Robertson (now also Liberal Parliamentary candidate) and some of his fellow East Ross Councillors. The other group, CROW (Cromarty Refinery Opposition Workers) was a more diverse group. It included Labour Parliamentary candidate Brian Wilson, who feared in the approval of the refinery the sacrifice of the area's resources with the promise of little return in terms of jobs or significant future developments, and local farmers and others who were concerned at the loss of land, the ruination of the environment and the credibility of Cromarty Petroleum.

Unlike recent inquiries in Easter Ross, the focus this time was specifically on the merits of Cromarty Petroleum's proposals. This was because no zoning action was involved, only the case for the refinery. The Council rehearsed the arguments put before previous inquiries, emphasising the stability which the refinery project would bring to the area after a series of apparently temporary incursions from industry. It was, they said, the natural outworking of Council policy:

"only such development could give credibility to the idea of an industrial expansion in the Highlands, or in the long run attract private investment in service industries and in turn create a base to attract further industrial development." (PI ref. 3.1.6)

After the failure of platform construction proposals to materialise (with the exception of Highlands Fabricators), also
two sets of proposals for petro-chemicals developments, the Council stressed the need to establish a long-term industrial base in the area. Conceding that a labour - and not a capital-intensive industry like the refinery, was what Easter Ross now needed "to coincide with loss of jobs from oil-related industry", Planning Officer Pease argued that it would be impossible to match the needs of the area so perfectly, so they should take the industry that was on offer. (PI ref. 3.9.23) His sentiments were echoed by the Council's Q.C. at the inquiry as justification for the Council's support of Cromarty Petroleum:

"The future economy and social health of the area depended upon the existence of long-term development of a type to underpin the economy, and the refinery project was the only such in prospect at the present time." (PI ref. 3.1.3)

To question the appropriateness of this project in any terms other than its consistency with Council policy on industry, would, said Pease, bring into question the policy itself: there was no room in Council strategy for questions:

"...refusal of the application for whatever reason would be such as to put at question the entire policy of development by attraction of large scale industry in the area, in which case the strategy ought to be revised." (PI ref. 3.9.23)

As had been their attitude towards previous projects, the Council showed themselves desperate to win this project for the area for the credibility it would bring to Easter Ross as an
industrial location. This they believed they could encourage by demonstrating their willingness to cooperate with incoming industry - any industry. The Council's Q.C. and the County Planning Officer put the Council's attitude into words:

"The application was one which should be granted because although the proposed development did not accord precisely with the Development Plan it did accord with the thinking behind that plan and the implications of what it said." - Edwards Q.C. (PI ref. 3.15.10)

and

"If the long-term strategy for Easter Ross was to be achieved it was necessary to attract major industry quickly, and to refuse the refinery project might affect the attraction of other industries by raising doubts in developers' minds as to whether they would get the support they sought." - County Planning Officer (PI ref. 3.9.31)

In putting forward their case in support of the project, however, the Council showed their ignorance of Cromarty Petroleum's plans for the area. They knew only that the Company intended to expand their refining activities at some time, and that they had no intention of building a petro-chemical complex. Vague and ill-defined as this information was, it satisfied the County Council:

"...one had to deal with the information presented by an applicant at its face value." (PI ref. 3.9.39)

In fact, there was considerable mystery over the plans for this area which were entertained by Daniel Ludwig. As the Reporter
"The Cromarty Petroleum Company, as represented by Mr. Loughney, Managing Director, is on record as saying that Universe Tankships Inc. wants to enter the refining business and that its owner, Mr. Daniel K. Ludwig, wants this refinery to give employment to his fleet of tankships; that he did not know any other reason and he thought it was really reason enough." (Maycock, December 1975, para.4)

Various suggestions were circulating Easter Ross as to Cromarty Petroleum’s likely involvement in the area. These included the possibility that the Nigg site would only be used as a transhipment terminal, with relatively high pollution risk; that any refining activities would be confined to the first few cracking stages, so that the heavy black oil coming from the North Sea could then be transported for refining and downstream petro-chemicals industries nearer markets and centres of population; and that Ludwig was just using the Nigg site to circumvent more stringent pollution control limits imposed at home in the United States, the sort of "exportation of nuisance" referred to by Robert Moore. (Moore, 1975) None of these would hold much benefit for Easter Ross, while they promised considerable intrusion. The Council remained undismayed, content that the firm had shown an interest in Easter Ross, not even motivated to establish the reliability of the information they had been given.

In putting forward their case, the objectors at the inquiry
concentrated upon the appropriateness of the present proposals, in terms of the national need for additional refining capacity and, locally, of the impact to be borne by the community. Thus they cut across County Council arguments raising issues which for the Council were of only secondary importance to the main one of the need for industry. (PI ref. 15.8.2)

It has to be said that in seeking to enlarge upon their general support for the proposals so as to justify the decision to approve the scheme, Ross and Cromarty County Council failed miserably. Their claims of increased rate revenue (£700,000 – £1m annually) and the possibility of Government financial assistance for infrastructure provision, were shown to be wiped out by the interest charges to be paid on Council building programmes, by the cost of expansion in education, policing etc., by pollution and safety control by the local fire service and by pro-rata reductions in rate support grant to the County. (Maycock, para.26-27)

In terms of the need for the refinery, regarding which they had received no advice from the Government, the Council demonstrated the logic of their approach. Their spokesman was Planning Officer Pease:

"In relation to United Kingdom oil refining capacity there would appear not to be a national need for an oil refinery at Cromarty, but in terms of local policy there was a need for the establishment of large-scale industry, and in national terms a need for
forthcoming employment." (PI ref. 3.9.28)

and

"He agreed that such enquiries as had been made indicated that there was no national need for a new oil refinery in the Cromarty Firth and that from the employment viewpoint there was no local need. In his opinion a greater degree of economic activity in the area would lead to an increase in facilities, such as hotels, which would in themselves be attractive to, for example, tourists passing through the area, and that on the whole a refinery should have a beneficial impact." (PI ref. 3.9.32)

As far as the environmental impact was concerned, the Council argued now as they had done in previous inquiries: such was the price of progress:

"It was not facing up to reality for the Objectors to plead that in Easter Ross they must have the benefits of industry without the pain..." (PI ref. 3.15.6)

- this although their consultants had expressed concern that the company would not be capable of working within the pollution control limits laid down. They argued that the existence of Highlands Fabricators in the area altered the context to an industrial one, in which such limits had to be moderated.

Thus members of the County Council overturned their previous assessment in which they had agreed with their consultants' recommendations. The environmental hazards of the project were indeed to be taken as less significant than the local advantages of having the refinery and 340-odd permanent jobs. The theme is a
familiar one - to be successful in bringing about a policy of industrial development "in the real world" it is necessary to accommodate the demands of industry without question. Having won their industry in this way, they would then deal with the consequences.

The Reporter remained unconvinced, taking as the basis of his decision against the proposals the issue which the Council had treated summarily, as if it was quite unimportant, the need for a new refinery. He opened his argument establishing the parameters of his judgement:

"...justification for siting this large industrial installation ...must depend upon the advantages to the public interest being sufficient to outweigh the disadvantages..." (Maycock, para. 1)
"...there must be an economic justification of the project for it to override consideration of the damage it might do." (Maycock, para. 3)

He weighed the disadvantages and found them to be considerable. On the social and environmental impact of the plant, he concluded that it would "irreversibly change the character of an attractive rural area." He assessed the Company's claims regarding the control they would exercise over pollution levels, also County Council assurances, remaining unsatisfied that the costs to be suffered by the local community justified this project going ahead. (3)

These, however, would not have presented an insurmountable obstacle had the Reporter been convinced of the objectors' first
question, that the refinery was required in the national interest.

He was not:

"Although I feel that there are no insurmountable objections to the development on the grounds of controlled pollution, noise, navigational safety or agriculture, I am not satisfied that there is evidence of a need for the development in this location in either the national or the local interest sufficiently great to warrant overriding the preceding objections." (Maycock, para. 71)

In the absence of any clear direction from Central Government, (PI ref, 3.2.13) the Reporter had set out to establish the contribution which an additional refinery would make to UK refining capacity. He suggested that a case could be put for expanding existing plant "rather than by developing a remote virgin site in a sparsely settled area on the outer periphery of economic activity and development in both the United Kingdom and Europe". (Maycock, para. 9) He remained unhappy at the continued failure of Cromarty Petroleum representatives to reveal their marketing plans, a failure which "scarcely engenders confidence in a more favourable view of their export potential for refined products". (Maycock, para. 8) He raised again the fact that in Nigg there was an excellent location for Very Large Crude Carriers' (VLCC) operations, a matter which he felt to be "of more than passing significance" (Maycock, para. 4) - a reference to the suggestion that Cromarty Petroleum would only develop a transhipment terminal at Nigg to facilitate
removal of North Sea crude oil elsewhere for refining and downstream works.

Next, he outlined his misgivings over failure on the part of the Council in promoting the project to give sufficient thought to the implications for the local environment and to provide for the best local organisation involving this industry. He wasn’t satisfied that the Nigg site was the best suited to the refinery’s demands. He hadn’t been convinced that alternatives had been given sufficient consideration. Long term employment created at the refinery would be slight. In the short term, the importation of large numbers of construction workers would put an intolerable strain on the local community:

"In short, I am not satisfied that there is a need for this particular project in so far as the provision of long-term employment is a requirement in the Highlands, or in Easter Ross in particular." (Maycock, para.25)

Having taken into account all the costs involved in establishing Cromarty Petroleum at Nigg, Reporter Maycock reached the conclusion that to proceed with the project would "cause considerable disturbance to the local economy without commensurate gain for the indigenous population" (Maycock, para.29) - a point he extended to the national economy, with the assertion that Government grants (the sum of £30m had been suggested) would not be well spent on 350-odd jobs. (Maycock, para.73) Thus the Reporter
decided against granting an Article 8 Direction which would enable the County Council to grant planning permission to Cromarty Petroleum. After a ten-week long public inquiry and examination of the evidence, he had reached a similar conclusion to that reached originally by the Council’s Planning and Development Committee, following the advice of their consultants and Planning Officer, that "there is no need for a new refinery in the Cromarty Firth either from a national or local viewpoint". (CPO, 1974 para. 9.1)

In their concern to create an attractive environment for industry, based on a view of industry requiring freedom of action or uncritical accommodation, the Council had backtracked on their Planning Committee’s original decision. Now the Secretary of State, in announcing his decision, overturned that of his Reporter, as he, too, opted for a laissez faire approach towards the strategically important oil industry.

On questions affecting the local area, he agreed with Mr. Maycock that "the arguments in this case are finely balanced", but reached a different conclusion; "the development offers advantages to the area that are more substantial than the Reporter envisaged". The main consideration for Easter Ross was, he said, the creation of new employment opportunities - outweighing both concern for environmental pollution and the question of whether the project would be justified in terms of a national need:
"the new jobs, plus the supporting employment, would be a significant contribution to the economy of the area and the possible period of operation of the refinery is long enough for it to be a worthwhile element in the development of the area." (S of S,1976 para.13)

Conceding that "no overriding national need for further refining has emerged", the Secretary of State took a different outlook from that of his Reporter, who had suggested that the cost of the project, locally or nationally, was not warranted, especially since the company had indicated it would have a life of only 40 or 50 years at the most. In this he stressed, as the Council had done during the inquiry, the consistency of the project with previous decisions relating to the industrial development of the area:

"Given the heavy capital cost of the project after allowing for government financial assistance to the developer, he does not think that the development is likely to be undertaken unless there is a prospect of a reasonably long life, and he takes the view that if the project goes ahead it will increase the possibility of attracting to the Cromarty Firth area development of the type which has already been indicated in amendments to the Development Plan as desirable in the interests of the locality." (S of S,1976 para.13)

In taking this view, the Secretary of State chose to interpret the Government's one statement on the matter of refineries rather differently from his Reporter. In his statement of 6th December 1974, the Secretary of State for Energy had said "that with the
projects then under consideration refinery capacity in the early 1980's would approach 150m tons a year which should be enough overall to meet our own needs and provide for some exports". Willie Ross now sought to implement the spirit of that statement from a Central Government committed to the quickest and most extensive development of Britain's oil activities. Balancing the issues and deciding in favour of a positive response to this industrial prospect, he quoted further from that statement of December 1974:

"It is, however, quite possible that companies might be able to demonstrate a need for additional projects, for instance to supply new export markets or to link with petro-chemical development, or to fill a gap in an integrated company's European operations." (S of S, 1976 para. 8)

The Secretary of State duly authorised the Highland Regional Council (Re-organisation of Local Government had taken place in 1974) to grant planning permission to Cromarty Petroleum - with conditions which had been put forward by the County Council.

Ross and Cromarty still didn't have their refinery, however. A stretch of 47.5 acres of the foreshore at Nigg between the company's land and the Cromarty Firth belonged by the authority of an ancient Crown Charter to the Cromarty Estate, and the company needed this land for access to the Firth. Since 1973 the land had been owned by Michael Nightingale. Nightingale had refused to sell the land,
offering instead a sixty - then a ninety-nine year lease. The company for their part said they were only interested in owning all the land they needed for the project. (Earlier Nightingale has acted similarly in refusing to sell land to Oil Fields Supply Centre - see page 71 )

The company eventually approached the Council to initiate compulsory purchase procedures. (CARPU, 1976) This the Council refused on the basis that the Company's plans could proceed quite well on a leasing arrangement. Cromarty Petroleum then turned to the Private Legislation Procedure (Scotland) Act, 1936, under which a company can apply for a Compulsory Purchase Order, after gaining the approval, firstly of Parliamentary Commissioners in Edinburgh then of Parliament.

A year later the Parliamentary Commissioners met in Edinburgh. After this delay, they reached a decision quickly, concluding that as the Secretary of State had approved the project, the way should be cleared for it to proceed. Thus if the Company said they would only be satisfied with owning the land in question, so be it. The Provisional Order having been approved, the Company now proceeded to Parliament.

Meanwhile, Michael Nightingale prepared to petition the House of Commons to present his case against the company. He questioned their motives in rejecting a ninety-nine-year lease, sufficient he
said to serve the needs of the project they proposed. Hadn’t Highlands Fabricators been satisfied with a much shorter, thirty-year lease? Was it not the case, he said, that the company only wanted control over this most valuable site with a view to selling it eventually - and the value of the site was lessened by their failure to acquire the strip they required for access to the Cromarty Firth? Why, he asked, should a project the need for which was uncertain and which had been floated by the "wholly-owned subsidiary of a foreign corporation" be allowed to acquire by compulsory purchase the land of a British subject which had formed part of a recognised unit "since the time of Robert the Bruce?" - Nightingale, the self-styled protector of Scottish interests. (Rosie, 1978)

It had been expected that the company would be successful in seeing their Bill pass through Parliament without delay, supported as they had been by the Government’s office in Scotland, the Secretary of State, during their entry into the area. This was to reckon without Michael Nightingale’s own Member of Parliament, John Wells, Tory MP for Maidstone and his neighbour Roger Moate, Tory MP for Faversham, whose interventions resulted in the Bill being subjected to a lengthy debate during its second Reading. The House of Commons eventually met on three separate occasions in 1976, 2nd August, 21st October and 25th October, to debate the
Cromarty Petroleum Order Confirmation Bill. The Commons debate echoed many of the points raised during the Cromarty Petroleum inquiry and earlier ones. As the County Council had argued repeatedly, Scottish members of the Labour Government defended the decision of Willie Ross (now former Secretary of State):

"We are not being asked to decide upon alternative places but whether we shall make possible an industrial development in the Cromarty area by passing the Bill. If we do not do so, the prospect of jobs are totally and completely gone." (Hansard 1751, 21.10.76)

Wells and Moate spoke for Nightingale and for the "rights of every other Englishman or Britisher" to retain control over his own land against foreign intruders. (Hansard 1376, 2.8.76) The company's motives in demanding ownership of the land were questioned, as were their claims for support "in the national interest". Faced with "this foreign gentleman with his £100 company" (Hansard 206, 25.10.76) MPs objected to being told by a "bucket shop company what is or what is not in the national interest". (Hansard 1756, 21.10.76) Depending on MPs’ view of the project, Nightingale was either the protector of British integrity or absentee landlord bent on forestalling any progress in the Highlands. (Hansard 1376, 2.8.76)

In the end, early in the morning of 26th October, 1976, the Bill failed. It failed because three MPs (4) had combined to obstruct its
passage with a blocking motion which they refused to lift, and on the basis that it had failed to gain approval on three occasions the Speaker resisted Government attempts to have it revived.

The Government had failed to demonstrate that their support for Cromarty Petroleum was based on any realistic understanding of its significance in terms of the national issues concerning MPs, Regional Policy or UK energy policy, or of its appropriateness within Highland development objectives. Their commitment to seeing further development of Britain's oil industry and, coincidentally, jobs for the Highlands was seen to have obscured the need for assessment of the particular proposals before them. Their unwillingness to assess critically the case for this project (which they shared with the County Council) was cruelly exposed under wider examination. The Government was seen to have placed themselves in a position of weakness in relation to industrial demands which was found to be unacceptable. Yet the position of those local authorities at the centre of the oil industry's interest was surely much weaker - poorly equipped to deal with the demands of any large-scale industrial development, they faced in oil a spectacular industry in terms of rate and scale of operation, whose demands were only exacerbated by successive Governments bent on a policy of rapid depletion of the country's oil resources. In the course of the debate Labour MP Norman Buchan described the
situation affecting local authorities and sanctioned by the actions of Central Government:

"...A company would say, "I have a good site. May I have permission to build?" Because everyone was terrified of losing the necessary employment, there was a tendency to say, "Yes." Instead of planned development of oil sites, planning permission was given from point to point..." (Hansard 1768-1769, 21.10.76)

Buchan's points were echoed by his Labour colleague for Aberdeen North, Robert Hughes, who, in referring to the difficulties facing Central and Local Government in responding to an industrial interest like that before them, pressed the need for a national strategy. An approach to the range of oil-related developments affecting the country within a planned framework, would, he said, avoid the sort of piecemeal planning which had of necessity characterised Highland local authorities' actions hitherto:

"Local authorities tend to deal with particular applications as they come along, and that poses problems..." (Hansard 1748, 21.10.76)

As Buchan and Hughes had indicated, it was the absence of any national strategy or direction (apart from that underlying motive of seeing developments take shape as quickly as possible) that had resulted in each project thus far being dealt with in isolation, so that Central Government and County Council alike were panicked into supporting the project - because it was industry, oil, and lest they
should lose it.

As Ross and Cromarty County Council had done, the Secretary of State in supporting the Cromarty Petroleum project for its contribution to the industrialisation of the Highlands had sought to accommodate the firms' requirements uncritically - knowing neither of the processes the company intended to employ, nor their marketing arrangements, nor, with any certainty, the number of jobs to be created, while committing the Government to providing financial support in the form of grants. However, we have in the exhaustion of this company's interest in the area an illustration of the responsiveness of industrial decision makers first and foremost to changing market conditions.

In November, 1976, only a month after their attempt to purchase the land compulsorily had been defeated in Parliament, the Company were sold the land they had wanted by Michael Nightingale. This move took everyone by surprise. (Nightingale's claims that all along he had only been concerned to protect the interests of the local area (SM, 2.12.76), failed to account adequately for his turnaround."

Around the same time, it was announced that Mesa Petroleum a company that had been drilling in the Moray Firth, had made a major find. It was thought locally that this was just the sort of opportunity to suit Cromarty Petroleum. The Beatrice Field was the
closest to the shore of all the North Sea oil fields, being situated off the Sutherland Coast just to the north of Easter Ross. Its exceptionally heavy, waxy oil could be piped ashore at Nigg for refining and transhipment, the very sort of operation that Cromarty Petroleum seemed to be prepared for.

It seemed to the supporters of Cromarty Petroleum that their dreams of large-scale industrial development were on the point of being realised. However in May 1978 when Mesa announced their plans for a storage and tanker terminal, they also made clear that they did not intend to do business with Cromarty Petroleum. (APJ, 24.5.78) Mesa's proposals for an adjacent site to that occupied by Cromarty Petroleum were in fact never developed, but shortly after the announcement that they would not be involved in the Mesa project, it was announced that Cromarty Petroleum were no longer interested in developing their proposals at Nigg. (APJ, 10.7.78)

**Market Forces Prevail:**

By this time, in mid-1978, despite all the Council's efforts at presenting a positive face to industry, thus to induce industrial activity within the area, of the firms that had expressed an interest in Easter Ross only Highland Fabricators and MK Shand and a few small-scale service activities had become established there. As the other firms failed to develop their Cromarty Firth sites,
Highland Fabricators were engaged in a desperate attempt to win another order or to diversify into the construction of alternative marine structures, simply to stay in existence. (RJ, 12.11.76)

This effort to keep just one yard in operation represented a far cry from that heady year in 1972 when firm after firm had come to the County Council with applications for planning permission to develop platform construction yards beside the Cromarty Firth. In the events of the intervening years the role of the market in determining local activity was illustrated graphically. It was as a site for platform construction that the area’s significance to the oil industry had emerged, and it was in relation to platform construction that the significance of market forces was now demonstrated.

Easter Ross’s experience was shared by other areas involved in platform construction as the situation was reached by 1975 in which there was surplus capacity in the UK for platform construction, while the demand for new platforms failed to reach the level of early estimates. After a proliferation of applications for platform construction sites during the early 1970’s, by October 1976 Ross Shire MP, Hamish Gray, (Opposition spokesman for energy) was appealing to the House of Commons for encouragement for existing yards to diversify into, for instance, gas gathering pipelines. He told the House of Commons that;
"The oil platform building industry was "in danger of disintegration through lack of orders." (RJ, 29.10.76)

A couple of months later, a deputation from Ross Shire met with Minister of State for Energy Dr. Mabon in order to impress upon him the case for looking favourably on Nigg when deciding upon any future order for platform construction. (RJ, 24.12.76) Employment at Highlands Fabricators' yard was now facing considerable uncertainty as the yard looked for new work. The temporariness with which the yard's operations had been presented during the Cromarty Petroleum inquiry seemed all too real, as Easter Ross facing the prospect of a run-down at Nigg joined other Scottish yards in the general scramble for new platform orders.

By 1975, yards for steel platforms had come into operation at Ardersier near Inverness, Methil in Fife and Graythorpe in North East England; while yards for concrete structures were operational in Argyll and at Kishorn in Wester Ross. In addition to these, another seven yards including two commissioned by the Government, had been granted planning permission and awaited orders. Still others had applications for planning permission outstanding. (Mackay and Trimble, 1975) These purpose-built yards were then joined by further competition, in the shape of Clydeside shipyards attempting to adapt their facilities to suit platform construction. (More recently, competition from abroad has added to
By 1975 it had become clear that Government estimates of the market for production platforms were too high. (MacKay and Mackay, 1975) Early estimates from Government Departments that 55-80 platforms would be required to support activities in the UK sector of the North Sea were later revised to 43-61 platforms to 1980, with a "best guess" of 53 - much closer to Mackay and Trimble's estimate of 52-64 with a "best guess" of 57. (MacKay, 1975) By early 1975 the Manpower Services Commission conceded that;

"Although applications for planning permission may be outstanding, and even where planning permission has been granted, it does not follow that a contract is also in being and the site will necessarily be developed." (MSC, 1975)

The fact that platform demand was slower in developing than had been expected therefore only exacerbated a situation of "incipient over-capacity". (MacKay 1975, p.14) MacKay and Trimble calculated in 1975 an annual capacity for producing 21 platforms if all yards were in operation, to meet an estimated annual demand of 8 or 9 platforms, with a peak of 11. (Mackay and Trimble, op. cit. p.16)

Writing in 1978, when some firms had withdrawn from this overcrowded field, Trimble forecast a dramatic reduction in demand after 1980, to an annual requirement of only one new platform after the mid-1980's. (HMSO, 1978) These fluctuations and the resulting strain on local communities are attributable to the desire on the
part both of Central Government and industry to cash in on the
arrival of oil. As Trimble has put it:

"Ideally, it would have been preferable to have had a
much more stable level of activity, coupled with a
domestic platform construction capacity linked more
closely to this level rather than the peak
requirement, but it is hard to see how this could be
achieved in present circumstances." (HMSO 1978,
p.67)

For Easter Ross, already heavily committed to platform
construction, the effect was drastic. With 25% of the local
workforce (D of E, Dingwall/Invergordon area) employed by Highland
Fabricators when at peak employment the need for continuity of
employment was especially acute. From time to time, as in the case
of Cromarty Petroleum, new schemes had come forward which might
have relieved pressure on the area resulting from its dependence
upon this vulnerable industry, but, thus far, none had found it to
their advantage to settle there. The failure of Cromarty
Petroleum's plans to materialise simply represented continuation
of that market trend away from this Highland area of Easter Ross.

Oil-Related Employment:

Uncertainty over the course to be followed by the market in
defining the balance of onshore activities found Easter Ross at the
centre, with the local Council trying to build an industrial
community on the basis of the area's involvement with oil. That
uncertainty carried into the operations of the two major employers that had become established in the area, bringing dramatic fluctuations in the level of local employment. (The interpretation of the employment pattern for the purposes of local authority housing provision is the subject of Chapter 4.)

Consider the range of fluctuation in the numbers employed by MK Shand in the five year period, late 1972 - late 1977. (Diagram 1, page ) Representatives of the firm explain these fluctuations in terms of the demands of developing a green-field site, of their lack of expertise in this kind of work, and of the contract-specific, cyclical nature of the work. When the company first entered the area at the end of 1972 they started their new venture with a large incoming workforce. Many of these, around 50%, had come from heavy metal or construction works in the industrial south of Scotland. The company were able to open a workcamp for 200 men close to their plant. Two men were allocated to each room in very cramped conditions. At first, these men worked three 10 or 12-hour shifts, round the clock, two shifts in production, one in clean-up.

As the Company learnt to operate more sophisticated, less labour intensive techniques and to cut out time-wasting practices, the demand for labour, even at peak production, settled at much lower levels. The operational workforce was complemented by a 50-man holding operation between contracts. By June 1975 these fewer

Fluctuations continue but smaller since workforce reduced - pattern remains cyclical as determined by requirements of contract.
men working only one eight-hour shift each day, were able to do as much work as their predecessors. Most of the workers who were paid off had not been employed for long enough to qualify for redundancy payments. They mainly comprised itinerant workers who had been brought by the company into Easter Ross.

From mid-1975 onwards, a general stabilisation in North Sea activities made the task of winning contracts more difficult throughout the on-shore industry. Those contracts which were to be won were usually smaller than Shand’s first job, again requiring fewer men for a shorter time. It suited the firm’s purposes to be able to freely recruit from a pool of local unemployed, so to enjoy maximum flexibility of operations as contracts’ requirements dictated. They were confident of their ability to respond to changing needs at any time, for instance, to recruit a further 150 men to operate a two-shift system if time was short. Their practice of employing an increasing proportion of their smaller labour force from Easter Ross and then of laying-off and re-employing the same workers lent a certain tenuous stability to their operations, which was only to Shand’s advantage. The firm claimed that the relatively higher wages they paid offered sufficient compensation for the cyclical nature of the employment they provided, and enabled the company to compete for labour with other employers in the area. The company’s freedom of action in the employment market was protected
from complaint by giving only two unions - the AEWU and the TGWU - negotiating rights, on the insistence that they accept the principle of temporary employment. Other unions which tried at times to become involved or, to use the Company's words, "muscle in", were summarily rejected by Shand's executives. (Int. Reid, 14.12.77) Thus, we can see over time the commercial environment dictate the increasing state of flux which characterised events at Shand's yard in Invergordon.

A similar pattern occurred at Hi-Fab's yard at Nigg. Along with Shand's, Hi-Fab's requirements in meeting contracts dominated the local employment scene. Hi-Fab's spokesmen blame the 1974 peak of 3,300, just before the float-out of the first Platform, Highland 1 for B.P., on unforeseeable design changes and on the need to complete the order in time for float out when the weather conditions were right. Likewise, that early high-point was never again reached, as more refined techniques were developed and utilised. Thereafter, the same contract demands brought cyclical requirements for different skills, always of smaller numbers, as the orders which could be won grew smaller and less frequent. The initial fluctuations in workforce requirements which were encountered as Hi-Fab worked in a vacuum on their first ever contract - for the extreme conditions of the Forties Field - are expected to never arise again. A core of around 1,000 who were of
local origin or who had settled locally were given steady employment. This 'local' employment included the numbers who were transported by bus from further afield in the Highlands to work at Nigg. This retained force was supplemented as the need arose for contract requirements by groups of men with particular skills recruited on a short-term basis, often from the industrial south. These skilled men - welders, fabricators, scaffolders, riggers etc. - were recruited in sequence as the production process moved from the pipe mill through to the dock. They were accommodated in a 420-man construction camp, the Beach Club, which was completed by the company in 1975 for this very purpose. These added expertise to the numbers of locally-based, company-trained men, making a usual total of around 1,500 or less. The practice spared the company any obligation towards sectors of their workforce for which they had no immediate use. The labour market in Easter Ross was very much a buyer's market. Thus a very high turnover in employment in the first two or three years of the company's work in the area, was followed by a period of greater stability. Then came difficulty for the company and Ross and Cromarty County Council regarding the need for continuity of work as competition for contracts between yards around Scotland and internationally grew stiffer by the month. (5)

(Int. Shannon, 2.12.77)

In August 1975 Tony Mackay of Aberdeen University assessed the
vulnerability of the platform production business in the face of market demand, concluding that Easter Ross would not escape the general down-turn which was about to affect the recently buoyant industry. Even in this area most favoured by earliest oil-related action, he said, the peak of 1974 would be followed by a steady local decline.

"...there is evidence of substantial instability in the oil sector, which is dominated by three large companies - two production platform builders and a pipe coating yard. In the light of ... forecasts of demand for production platforms and pipecoating it seems reasonable to have doubts about the permanency of many of the oil-related jobs in the (Moray Firth) sub-region. Already, there have been quite a few redundancies and closures. Although there are other oil-related proposals we feel that these are unlikely to develop on a large scale, with the exception of the proposed refinery at Nigg which has been the subject of a public inquiry on which a report is awaited. Excluding the refinery, we are now inclined to take the pessimistic view that the level of oil-related employment in 1981, and subsequently, will be less than the peak figure in 1974. We do not see much prospect of a future for current oil-related industry in the area beyond 1980." (Mackay, 1975, p.3)

Employment at Nigg has in fact lasted into the 1980's but the pressure to win further orders is intense, emphasising for local people the dependence of this giant operation and a large section of local employment upon market forces.

With the failure of further industrial developments to come to
the area, despite all their efforts, the Council after 1974 were confronted with some difficult issues. For not only had the industries that had arrived failed to act as a catalyst for future developments, they had established Easter Ross employment as most vulnerable. The creation of new opportunities had led to a great dependence within the area upon the fortunes and decisions of the major employers. (6) Despite the creation of new jobs, unemployment in the area was higher than before industry had arrived, and Easter Ross unemployment after a favourable spell around 1974 was again above the Scottish level. (D. of E. 24.11.77)

Easter Ross unemployment levels throughout this period, 1968-1977 may be compared with those for Scotland over the same period (Diagram 2, page ). The horizontal line marked 1.0 represents unemployment in Scotland between 1968 and 1977. When the ratio of Easter Ross : Scotland unemployment is greater than 1.0, i.e. when it registers above that line, the level of unemployment in percentage terms in Easter Ross is higher than that in the whole of Scotland. Below the horizontal line, Easter Ross unemployment is below the Scottish level. (Two sets of unemployment figures are given, representing the January and June figures to give an idea of Easter Ross trends when seasonal variations are taken into account.)

The summer figures for Easter Ross show less variation from
Diagram No. 2 - Ratio of Unemployment in Dingwall/Invergordon Employment Exchange area: Scotland Unemployment 1968 - 1977

Invergordon/Dingwall : Scotland Unemployment Rates

January

June

1968 69 70 71 72 73 74 75 76 77

Year
Scottish levels than those in January of each year. During the summer months Easter Ross unemployment came closer to Scotland's level, but overall, as is clear from this diagram, Easter Ross levels remained above those of Scotland except during the peak of oil-related activity, after which they moved upwards to exceed Scottish levels once again. The rate of increase in unemployment after that peak was then sharp, as had been the downward trend representing the build-up of oil-related activity in the area. The period around 1974 during which unemployment fell below the Scottish level is accounted for by the rush to get the Highland 1 Platform out of the Nigg site in time for the mid-1974 weather window, which saw a peak in Nigg employment.

The failure of further employment to come to make use of a growing industrial labour force brought alarming difficulties to the area. The cynics could have been forgiven for their belief that the area was better off before the arrival of major industry. Now it simply had more people in need of work. This phenomenon was reflected in the employment returns for the Dingwall/Invergordon area(7), which were accompanied in 1976 with the gloomy comment:

"Unfortunately an expansion of population combined with a downturn in the area economy leads to a hangover of increased unemployment." (D.of E. 31.8.76).

Thus with no apparent prospect of additional employment, except the
much-disputed refinery, and with employment at the existing large
firms marked by uncertainty, the Manager of the Employment Exchange
at Invergordon reflected on the threat facing the area - far worse
than before the arrival of new industry with its resulting increase
in local population:

"Should M.K. Shand and/or Hi-Fab be unsuccessful in obtaining new contracts (especially the latter) there is grave danger that the new Job Centre may become an 'unemployed Centre'. The only consolation is the prospect of Cromarty Petroleum being allowed to go ahead with their multi-million pound refinery (construction workforce of 1600 and running staff of 450). I only hope the 'Oil Bubble' has not burst." (D.of E, 31.8.76)

The possibility that the arrival of the oil industry might not have been an unqualified benefit as had been suggested by the County Council's uncritical welcome was appreciated in another area, outwith the immediate locality of Easter Ross. In a study carried out by George Pease (who had resigned as Ross-Shire's County Planning Officer following Local Government Reorganisation) for the Council of Social Service of East Sutherland, the area just to the north of Easter Ross, it was revealed that the impact of Easter Ross employment upon that community was severe. He found that 20% of the Hi-Fab permanent workforce were from East Sutherland, representing 12% of the total East Sutherland work force. Local industries were being faced with considerable hardship. Losses to Easter Ross from agriculture, construction and garage work were
particularly high, at 22%, 81% and 71% respectively. A large proportion of those travelled free by company bus to their work at Hi-Fab. They reported that they would wish to continue to live in East Sutherland even if eventually offered a house nearer their work. They expected to return in due course to their earlier work, in which they had employed on average for 8 years, noting that already (1975) the advantages of working at Nigg were significantly reduced since hours had been curtailed. Meanwhile, in interviewing in East Sutherland, Pease learnt of businesses being threatened with closure through loss of labour and higher wage rates. (ESCSS, 1975) This picture of the drain from one community contrasts sharply with that presented by Pease himself only a few years earlier in justifying the zoning of Easter Ross land on the strength of smelter proposals. Industry, he said, would be an unmitigated benefit:

"The whole purpose of industrialisation proposals are precisely to enhance the living conditions of the people which will involve raising wage levels generally and that is a desirable thing." (Amendment No.3, p.395)

In Easter Ross's experience with the market through the oil industry we see the possibility, not entertained by Ross and Cromarty County Council, that there may in fact be a separation between the interests of industry and those of the host community.
The threat for this area and the wider Highland region, is of a growing dependence upon incoming industry and a weakening of the local economic structure.

The question of whether, when faced with the prospect of oil-related developments, Ross and Cromarty could have responded differently, to protect the local community against the effects of large scale industry, will be the subject of the final chapter. For the meantime, we should note that Ross and Cromarty’s response to the oil industry was conditioned by their view of industry within the context of their development strategy. This approach has been carried into another area of Council policy, that of their housing provision. This and the impact for the local community will be the subject of Chapter 4.

Postscript - Think Again:

1974, the year of Reorganisation of Local Government, marked an important turning point in Council attitudes towards industry. The incoming District Council departed quite deliberately from their predecessors’ belief in the need to accommodate industry’s every demand as a means to inducing industrial development. They looked at the experience of Easter Ross over the last few years, concluding that that policy had failed to bring about its required end. They saw local unemployment levels rising again to the level before the
area's first involvement with industry. Looking on, they saw the vulnerability of the area in the face of industrial demands, the gap between County Council aspirations - on which policy had been based - and the reality which had come about as a result of industry’s decisions. Their observations led the District Council to make a break with the past, in that no longer would they seek to cater for industrial demands in the hope of creating an attractive environment for industry. They saw industry as an independent force requiring some sort of control to moderate its effect upon the host community.

In part these observations arose out of a critical assessment on the part of newly-appointed District Councillors of the mismatch between County Council action and industrial events in Easter Ross. In part they stemmed from a change in personnel. Rev. Murdo Nicolson and other influential members of the old County Council including John Robertson had been elected to the new Highland Regional Council, so that County Council priorities were given continued support through the Regional Council with its responsibilities for Planning. At District Council level they were replaced with new Councillors, several of whom had joined public debate during the argument over Cromarty Petroleum’s refinery on the side of resisting the proposal, who now asked for a more measured response to incoming industry.
In order to effect as smooth a transition as possible from County Council to District Council rule, the two worked in tandem during the period immediately following reorganisation. The District Council used this period as an opportunity to assess the situation so that they could initiate changes once they had independent local control.

They looked at the result of the County Council's recent practice of trying to promote local interests through industry and decided that little had been gained by the local area. Indeed, considerable local costs had arisen, as industry pursued its own interests. They looked, too, at the pressure which had come from Central Government to encourage oil-related developments 'in the national interest' and now assumed responsibility for the protection of local interests against national economic interests and those of industrial investment. This they argued out where possible with the Regional Council, and sought to put into effect directly through organisation of their housing policy. (On the industrial front, however, they have not yet faced an issue of a scale comparable with the period of oil-related development or the industrial projects put forward during the mid - late 1960's against which to test this more critical approach.)
CHAPTER FOUR

LOCAL AUTHORITY HOUSING PROVISION

Next to planning, an examination of their actions in relation to the provision of local authority housing provides the clearest illustration of the Council's approach to industrial development. For as industrial development cannot proceed without access to suitable land, the development of an industrial community requires the support of a local infrastructure, roads and communications facilities as well as a broad range of social resources including, most importantly, housing.

In a hitherto mainly rural area, the need for additional housing became evident very early in the area's involvement with industry. Thereafter, as in the exercise of their planning function, the Council's commitment to industrial development shaped their actions in catering for housing need. With the arrival of oil a new order of demand imposed itself upon the area, forcing the Council into immediate action on a scale for which they were totally unprepared. Uncertainty surrounding the area's industrial experience, difficult enough to face as a planning issue, brought particularly dramatic implications for housing; building programmes take time to develop and cannot be reorganised
spontaneously in response to a changed industrial climate. The eventual downturn in industrial activity found the Council contemplating building programmes designed for a future very different from that with which they were then confronted.

Again, therefore, the story is of Council vulnerability when faced with industrial demands, a position of weakness which they assumed in the belief that they could thereby draw industrial development into the area. But while the provision of housing, as of industrially zoned land, may be required by incoming industry, it provides no guarantee of industrial development. The role of the market and political choice must be reckoned with, and in Easter Ross they contrived to bring about only a glimpse of the industrial activity for which the County Council had hoped.

Publication by the Highland Board of the Holmes Report in 1968, which provided an important source of affirmation for their hopes of industrial development (see page 78), were also taken by the County Council as a blue print for the future in population terms. Holmes' estimates of the area's capacity for expansion brought about by industrial growth were received by the Council as long-term targets for population distribution in Easter Ross and as the basis for forward planning.

Holmes had suggested that the Moray Firth area could contain a
population increase of around 200,000 from its present level of 70,000\(^{(1)}\) - this population to be organised around the region in a pattern recommended in the report. An idea of the scale of increase thought to be possible in Easter Ross is given below (fig.):

fig.

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In Easter Ross there was less than whole-hearted support for Holmes' suggestions for the organisation of an enlarged population. In 1968, each of the small burghs in the County constituted a unit of Local Government with its own Town Council, and having responsibility for the levying of rates and housing provision. Faced with the prospect of growth, as represented in the Holmes Report, they all wanted to benefit from any expansion
affecting the area, for despite the capital cost involved in housing an increased population, it was believed that growth could in the long run only bring prosperity to any community.

Of the existing small burghs, Tain was earmarked for expansion, while a fall in population was recommended for Invergordon. The areas suggested as the foci for future growth were all small towns or villages falling within the landward area of the County, therefore within the orbit of County Council responsibility. (See map 7 page 233)

Invergordon Town Council reacted angrily to the suggestion that, for planning considerations, their community should be required to contract at a time of expansion elsewhere. Why, they asked, should the Invergordon area provide the jobs, suffer most intimately the despoiling effects of industrial activity, and yet be denied the benefit to local commerce and to the town's general wealth which would follow from the town's expansion? Their response was to ignore Holmes' recommendations, undertaking expanded building programmes instead. Likewise, the County Council, while taking enormous encouragement from publication of the Holmes Report, were selective in the detailed recommendations which they chose to incorporate into policy; for instance, they rejected suggestions for the expansion of Fearn, also the construction of a New Town outwith the Easter Ross area. (Currie, 1973) Thus the
Map No. 7 – Towns and Villages in Easter Ross
significance of the Holmes Report lay in its general sympathy with Council ambitions; the practical recommendations regarding the organisation of settlements, transport policy etc. concerned the County Council little. They were happy to respond to the requirements imposed upon them subsequently by incoming industry in an ad hoc fashion, satisfied that their ambitions of industrial growth were being met.

The Holmes Report was published shortly before the Secretary of State’s decision on Amendment No.3 involving the smelters. With that decision the County Council seized the opportunity to establish a link between jobs created by industrial development and housing provision in the hope of building a stable industrial community.

The smelter's arrival provided the trigger for a Council decision to adjust their housing policy in one very significant respect. In the years 1964-68, Ross and Cromarty County Council had budgeted to reduce Council house waiting lists through increasing their house building programme from 25% to 50% of current needs. Now, with the incentive of industrial development, the decision was taken to increase the housing programme to build to 100% of needs in Easter Ross, thus reducing council house waiting lists altogether, plus an element of building ahead of actual needs. This is the
parallel of the Council's actions in relation to planning, and their decisions following the arrival of industry, to provide extra land for industrial use both to achieve a state of readiness and as an enticement. It was thought that by the provision of a supply of housing in excess of demands, the area's attractiveness would be enhanced in the eyes of prospective developers, since an industrial workforce would be accommodated readily in Easter Ross - an important consideration in this basically rural setting.

The provision of housing for BACO workers caused the Council little problem, except the ever-present one of stretching scarce local resources. After announcing his decision on Amendment No.3, which cleared the way for the smelter project to go ahead, the Secretary of State had asked representatives of the local Town and County Councils to meet with representatives of the HIDB, the Scottish Development Department and incoming firms to coordinate planning and infrastructure provision required by the project. There was a three-year construction phase, by the end of which, thanks to the concerted efforts of the Invergordon Steering Group as this coordinated operation was called, the 350 houses said by BACO to be required for their workforce had been completed. In fact, due to world over-production of aluminium and a recession in demand, the smelter opened at only half-production. A smaller workforce was required than had been anticipated, so that the
Council found themselves with surplus housing. This situation was resolved by an agreement from BACO to pay the sum equivalent to standard rent for each extra house from the date of completion until first let. (Int. Gillies, 13.9.77)

**Grampian Chemicals: Amendment No.7**

As preparations began for the BACO project, Grampian Chemicals' proposals came before the Council bringing a fresh demand for around 500 houses. The project was supported through the planning process on the basis of its consistency with the Council's policy on industry. It was also used to justify within the terms of a new Amendment (No.7) to the Development Plan, the zoning of an additional 340 acres at Alness for housing - to meet the immediate needs of Grampian Chemicals and as preparation for a sustained industrial presence in the area.

After objections from the farming lobby over the loss of good agricultural land to housing, a public inquiry was held in Dingwall in 1971 presided over by Reporter J.R. Fiddes Q.C. The Council's case was simple, that it was consistent to support the industrial development efforts approved through previous Amendments by ensuring the availability of housing to support needs arising from existing projects and others to be anticipated in the acting out of Council Policy. (Fiddes 1972, para.8)
Referring to Jack Holmes' suggestion that Alness could eventually expand from its present level of 1,500 to 16,000, the Council set out to build upon that possibility. They justified the present zoning action on the basis of the 1,800 acres which had been zoned for industry around Invergordon and a further 367 at Nigg. This land, said Planning Officer Pease, could reasonably be expected to provide 5,000 jobs with a further 5,000 in related and service activities. With a dependency ratio of 1.5 this would give a total population of 25,000, 16,000 of which to be housed at Alness, the remaining 9,000 elsewhere in Easter Ross. (Fiddes, para.37)

Under examination Pease conceded that industrial development had not taken the course foreseen by the Council, even predicted by company assurances and that the zoning of land for industrial use had not yet always been followed by development. In addition he admitted that the Holmes Report which he had used to justify the present zoning action actually anticipated a return of 30 jobs / acre, except in the Invergordon area where local facilities were expected to attract capital intensive industries involving 10 jobs / acre, or in exceptional circumstances 3 jobs / acre. The figure of 5,000 jobs from the land zoned would mean the creation of just over 2 jobs / acre. Either the Council expected a massive preponderance of capital-intensive works or they were wildly out in their provision of land zoned for industry. If this were all to be taken up at even
the lowest rates in Holmes' calculations, the County would face a scale of growth far beyond that for which they were preparing. (3)

In giving his decision at the end of September 1972, the Reporter showed his concern over the flimsiness of the Council's case for a zoning action which would hold long-term repercussions for the settlement structure of the area. George Pease's estimates of future population, on which the Council based their proposals for the expansion of Alness, were, said Mr Fiddes, "somewhat speculative". (Fiddes, para.39) He replied to the inquiry in measured terms, expressing doubts about the appropriateness of zoning such a large area of land at this time and on the strength of the expectations with which he had been presented. In the long-term, he said, it was quite clear that the proposed area would easily accommodate the Council's lowest estimate for Alness, and should the town ever stretch to the suggested 16,000 then that, too, would be covered. Looking at the immediate prospect, existing areas of zoned land would easily meet current needs plus the shortfall of 40 which was anticipated to the beginning of 1972. (Fiddes, para.58)

Mr Fiddes supported objectors' claims for alternative sites of lesser agricultural value to be considered, turning down the request in the Amendment for the 200 acres of Culcraggie Farm near Alness to be given over to housing. The Council's policy on industry
and the need for supportive infrastructure, albeit in line with Holmes' general recommendations should not, he said, be taken to override consideration for the merits of alternative sites of lesser agricultural value:

"It is clear ... that the County Council are prepared to sacrifice good agricultural land for housing required to implement their policy of attracting large-scale industry, even when less good land may be available 
"...In Scotland between 1961 and 1966 nearly 50,000 acres were being lost to agriculture every year ... If the land developed is of poor quality, that may not matter, but if it is even reasonably good land, its continuing destruction may in the long term pose a serious problem, not only for Easter Ross but for the whole country, and indeed for the whole human race. Though this appears to me to be merely stating the obvious, there seemed to be a curious lack of awareness of the problem on the County Council's side. Presumably, as intelligent men, they must be aware that the problem exists, but they showed no consciousness that it could have any relevance to anything that was being done, or that was proposed to be done, in Easter Ross." (Fiddes, paras.47-48)

Reporter Fiddes therefore decided against the zoning of Culcraggie Farm at Alness which was the main focus of the objectors' concern, while approving the two other smaller areas for which a more convincing case had been put by the Council, at Obsdale and at Dalmore. (See map 6 page 240) (Fiddes, para.59)

The Secretary of State announced his decision on Amendment No.7 only three and a half months later, on 11 January, 1973. He supported his Reporter's recommendations, and expressed himself in
broad agreement with Mr Fiddes' comments in support of those recommendations. However, he did not agree with the Reporter's comments on the balancing of agricultural and industrial interests with regard to land use. He asked that the Council should prepare a fresh statement on the balance to be struck in the area between agricultural and industrial interests, this in view of the build-up of industrial activity in Easter Ross since the end of the public inquiry into Amendment No. 7. (S.of S. 11.1.73)

In the intervening months since that public inquiry, a series of events had taken place in Easter Ross which combined to create a very different environment from that in which Mr Fiddes had drawn up his conclusions. In that time Easter Ross had found itself at the centre of attention from a number of companies each wanting a stake in the area from which to monitor the situation governing oil-related developments. With off-shore work building up in the North Sea, activity also built up on shore. Oil had come to Easter Ross.

In addition to the spate of requests for planning permission for the construction of platforms, other significant events had occurred involving prime sites around Invergordon. It was confirmed that Grampian Chemicals would not proceed with their plans. The land in question then passed to the Cromarty Firth Development Co., and when Secretary of State, Gordon Campbell,
announced his decision on Amendment No.7, there were already
rumours that Daniel Ludwig was about to become involved in the area
during the 'North Sea bonanza'.

Mr Campbell explained in his letter of decision on Amendment
No.7 that he would not re-open that inquiry to take account of the
new circumstances, which were very much in line with the Council's
expectations in proposing that Amendment. Instead, he asked the
Council to come forward with a revised strategy in light of recent
events. They were to:

"take further their examination of strategy
generally in Easter Ross and to come to him with a
fresh Development Plan Amendment or Amendments which
would take full account of the current industrial
situation and the implied need to look wider at
housing provision in the area than was necessary when
they proposed Amendment No.7" (S.of S. 1973, para.6)

The Secretary of State reminded the local authority that he had had
to arbitrate in a series of zoning inquiries concerning large-scale
developments between 1968 and 1973. In each case, at issue was;

"the relative importance of preventing the blighting
of agricultural land or the distorting of an
otherwise desirable pattern of settlement; and
generally, the pattern of new centres of population
along the Cromarty Firth". (S.of S. 1973, para.6)

Each time an application appeared and reached the stage of
requesting planning permission the same questions had arisen. Each
time they had been resolved according to Council priorities and
their belief in the need for industrial development. Each time, the
Secretary of State had then concurred with the Council in their choice of priorities.

Thus he now asked the Council to draw up a new strategy document based on their policy on industry and making clear the balance of interests pertaining in Easter Ross. It was the Secretary of State's intention that a statement of policy along these lines would in future obviate the costly and time-consuming examination of policy implications every time a serious industrial interest emerged. This updated statement of policy would take over from the existing, several times amended, County Development Plan.

The Period of Oil-Related Developments

It had become clear long before the Secretary of State announced his decision on Amendment No. 7 that some kind of re-think was going to be required to guide Council action in a situation under constant change. Just as the Council's planning provisions had had to be adapted to accommodate the demands of oil-related interests, in their housing strategy, too, they now found themselves only responding to events with which they were generally in sympathy but which were on a scale which they had not anticipated and for which they were quite unprepared.

As far as housing provision was concerned, 1972 had brought new pressures which overrode any plans entertained by the Council of
building in advance of needs to attract industry into the area. When they received the initial application for planning permission from Brown and Root building had not yet been started on the land set aside to accommodate Grampian Chemicals' needs. Building programmes were therefore hastily organised for the land around Alness set aside for housing. The problem with Highland Fabricators was that after only a month or two in preparation of the site production was taken up immediately. The Council responded by offering Hi-Fab managerial and executive staff houses from the surplus left over from the BACO project.

Then, to complicate matters, demand for housing for BACO workers stepped up. An increase in production at the smelter meant that additional staff were taken on. At the same time, the firm found themselves faced with the need to replace workers drawn away from the smelter to work for higher wages at Nigg. They advertised widely, attracting significant numbers from outwith the area who required housing. This only added to the Council's difficulties. They had started off with the expectation that Hi-Fab's workforce would bring a relatively higher demand for new housing than the smelter because that project had mopped up most of the local unemployed, so that a higher proportion of Hi-Fab workers would come into the area requiring accommodation. Now they found themselves faced with a fast growing labour force at Nigg and rising
demand for housing from BACO.

BACO had serious doubts about the Council's ability to cope, and feared that their expansion plans would be put at risk. They therefore made direct contact with the Adam Housing Society in Edinburgh whose subsidiary, the Albyn Housing Society, subsequently became involved in providing housing exclusively for renting to BACO employees. (In the meantime new BACO employees were accommodated close to the smelter on a caravan site which had been used for temporary accommodation by the workforce engaged in construction of the smelter.) (Int. Rougvie, 14.12.77)

The Council for their part appealed to Central Government for support to help meet the considerable financial burden of greatly increased building programmes. Thus, where the Government had shown their concern to ensure progress in oil-related developments through their support for Council planning actions, they now responded by setting up a special group, the Moray Firth Working Party, (5) to provide technical coordination for infrastructure provision throughout the area. Officials from the Scottish Office, from all local authorities in the Moray Firth region affected by oil-related developments, the Highland Board and from the Department of Employment worked together on the Working Party (6) first to assess the demand for infrastructure then to organise building programmes and to monitor the changing employment
situation and industrial activity in the area. The Working Party met regularly from early 1973 throughout the period of oil-related activities.

It was found that of the nine local authorities in the Moray Firth area with responsibility for housing provision, some were coping better than others. Because of the demand for new buildings local contractors were stretched to the limit. Competition between local authorities to complete building programmes meant that those which could afford to pay most handsomely were managing to keep pace with demand, while others were falling behind noticeably. There was also a wide variation in standards of new housing construction between local authorities. In the view of the Working Party, this competition for scarce resources was weakening the efforts of all the local authorities involved, so that the region as a whole was failing to meet the rising demands of new industrial activity. (Int. Sutherland, 11.5.77) Delays in acquiring and servicing sites, a national building strike and the loss of local building workers to higher-paying jobs in the oil industry only exacerbated the problems facing local authorities.

The Working Party responded by selecting firms of contractors, setting building standards and systematically coordinating building programmes across local authority boundaries to take in the entire region.
The situation was particularly acute in Easter Ross, where the presence of BACO, Hi-Fab and M.K. Shand plus an assortment of other interests promised a rapidly rising population. Early in 1972 the County Council had decided to turn down an offer of Government assistance in the form of Scottish Special Housing Association involvement in the area. The SSHA, which exists to supplement local authority housing provision at times of particular need, such as that presented by the arrival of the oil industry, had been rejected because the Council wanted to face up to this, their greatest challenge, using their own resources. By the end of the year, however, the situation had become dire, with an estimated shortfall in provision of 1,000 houses, and it was agreed now to seek the assistance of the SSHA. (P&W mins, 1.12.72)

Tony Mackay of Aberdeen University has suggested that the SSHA were less than enthusiastic about their involvement in Easter Ross, in view of what was considered the speculative basis of the local authority’s projections of housing need. (Int. Mackay, 31.5.77) This point is borne out by SSHA officials, who suggest that the Scottish Office should have scrutinised the County Council’s figures more critically. (Int. Borland, 19.4.78) In fact, it has to be said that Central and Local Government likewise faced particular difficulty in assessing likely future demand for housing in Easter Ross, such was the uncertainty surrounding local industrial
activity. By the same token, both were committed to establishing the oil industry in the area with all haste, and in the County Council's case, to laying the basis for a prolonged industrial future. Thus they responded to the arrival of oil similarly, by setting high building targets.

Amendment No.10

Experiencing considerable practical difficulty in meeting the needs of a rising industrial workforce and faced with further applications for planning permission from firms involved in the oil industry, in September 1972, while still awaiting a decision on Amendment No.7, the Council put the finishing touches to a new strategy document prepared by their Planning Officer. This Report, "Towards a Planning Strategy for the East Ross Area of the County" was an attempt to lay down a general long-term plan for future action. In effect, it was an updating of Holmes' recommendations, taking recent experience into account.\(^{8}\) That experience had led the Council to revise Holmes' estimates of future East Ross population levels. Holmes had estimated that 18,000 new jobs would be created from 2,000 acres of land under industrial use, a rate of 9 jobs / acre. Now the Council suggested that 5,000 acres should be zoned for industrial use, from which 33,500 new jobs would result, giving a population total of 140,000. The lower rate, 6-7 jobs /
acre was explained in terms of the capital intensive nature of the industries which had come to the area thus far, and which looked like setting the pattern for future developments. (East Ross Strategy, 1972)

This 140,000 total was expected to build up over a 30-year period. However, the build up of an industrial population could only take place on the basis of a solid foundation. It was their response to industry now, said the Council, which would determine whether or not a stable industrial future was realised, and the availability of housing for an industrial workforce would be a critical factor:

"The main factors which may act against it are the rate at which housing and other infrastructure can be made available and the level of 'community satisfaction' which is achieved". (East Ross Strategy, para.1.2)

Looking at current interest in the area, including that of Grampain Chemicals, the Council estimated an immediate demand for 4,000 houses, to be added to existing communities around Easter Ross. It was intended that expansion should then be encouraged of new communities, including the construction of a New Town (population 80,000) at Lamington, a small settlement near Tain.

Before the East Ross Strategy could be finalised Grampian Chemicals' interest in the area disappeared for ever, along with that of Offshore Supplies, and Dunstan-Sapiem's plans looked
unlikely to come about. However, the Council continued undeterred to plan for a long term industrial future, buoyed up by interest shown in the area by M.K. Shand, Taylor Woodrow, Lithgows and others during the hectic spell of 1972-73.

When they came to draw up their proposed strategy for the future in response to the Secretary of State's instruction after Amendment No.7 the Council took the East Ross Strategy as the basis for their proposals. These proposals were contained in a further Amendment to the County Development Plan, Amendment No.10. This Amendment included proposals for zoning further land for housing and industrial use, for recognising Nature Conservancy proposals in certain areas and for the identification of the Tain/Lamington area as a study area to explore its suitability for further expansion.

By the time the Amendment had been finalised, considerable public disquiet at the proposals for growth in Easter Ross led the Council to alter their original intention to propose the zoning of Lamington for residential purposes, to suggest instead that the area should be singled out for study without commitment. In addition, local criticism of the rate of development being accepted into the area from a series of ad hoc proposals forced the Council into removing from Amendment No.10 a suggestion that additional land at Nigg and the eastern part of the shoreline in front of Alness
be zoned for industry. (Currie, op.cit.) Local opposition to the Council's uncritical accommodation of industrial enquiries had become more widespread. Those firms which had come forward for planning permission during 1972 showed little sign of materialising. Meanwhile, the Council were proposing far-reaching changes in the social organisation of the community, on the strength, it was felt, of speculative interests.

In view of the public concern shown in Easter Ross over the Council's actions in relation to the Amendment, the Secretary of State called for a public inquiry to be held. The inquiry opened in Dingwall on 4 December and lasted only three days, which was short by the standards set by earlier public inquiries in Easter Ross. The Reporter was G.W. Maycock Q.C., who later presided over the inquiry into the refinery project.

The Council put forward a simple case, that industrial interest in the area justified the zoning of sufficient land to ensure progress, both in terms of additional direct industrial needs and for the infrastructure required to support industrial expansion. It was not only sensible to prepare for an industrial future, they said; failure to do so would militate against any future industrial presence in Easter Ross. Thus they should seek to respond to current industrial needs as a matter of urgency and as was consistent with their long term intention of establishing an industrial base in the
In this Amendment the Council argued for provision to be made to support a population increase in the area far beyond that suggested in any previous statement, this in turn to be facilitated by the zoning of additional land for industrial use. It was now suggested that 161,000 jobs could be created on land it was proposed should be zoned for industry (this, as in the East Ross Strategy at a rate of 6-7 jobs/acre in direct employment and 0.35 - 0.7 in the indirect sector). (Maycock 1973, para. 29) The Council conceded that the Holmes Report had envisaged a quite different pattern of growth (with 30 jobs/acre on most sites, falling to 10 jobs/acre in areas of highly capital-intensive activities, giving an average of 25 jobs/acre). Again, they accounted for the difference in terms of the capital-intensive nature of industries which seemed to be drawn to the area. The same argument was put forward as an explanation for the discrepancy between the 3 jobs/acre which had been estimated to arise from the Grampian Chemicals project while petro-chemical industries on Teesside had revealed densities of 20-30 jobs/acre. Distance from markets and the expectation that labour-intensive downstream activities would not be attracted to this isolated corner of the Scottish Highlands were given as the explanation for zoning an area of land for a return in terms of jobs which was anticipated to be provided by a much smaller area elsewhere. Thus,
said the Council in supporting their case for the zoning of additional land;

"...although it was conceivable that industrial land allocations now proposed could provide employment for a population of over 600,000 persons in Easter Ross, it was thought to be extremely unlikely that it would be the case." (Maycock 1973, para.30)

Proposals for building a new residential community at Milton, a few miles to the east of Invergordon, expanding existing towns and investigating the possibility of constructing a new town at Lamington were all presented as the natural consequence of the Council's policy on industry. In the long term an established industrial workforce would need appropriate housing and other infrastructure support. It was into this scheme that Lamington fell. In the short term, housing was required by the workforce at Hi-Fab's Nigg operation, hence the expansion of Tain, Invergordon and Alness and the development of Milton. (Maycock 1973, paras.31-41)

The objectors offered two main complaints, the loss of good land to suit the requirements of industry and the construction of large urban communities on the basis of speculative interests. In connection with this latter point they referred to the hasty and ad hoc building arrangements which had dominated the area thus far, leading to the development of communities without the support of social facilities. The Council should not, they said, be panicked
into building for the future without detailed consideration of the viability of the proposals before them. The quality of local life was at stake and should not be sacrificed lightly to industrial demand. (Maycock 1973, paras.89-151)

It took Mr Maycock, the Reporter, only two months to announce his decision, on 20th February 1974. By this stage, on the industrial front, only the refinery project was before the County Council. With the exception of Hi-Fab, the Council themselves had come to doubt the likelihood of the oil platform yards with planning permission ever developing their proposals along the Cromarty Firth shoreline. They held firmly to the belief, however, that the industrial potential of the area, revealed through those recent interests, would be realised in the future, and should be promoted by the actions contained in the Amendment. The Reporter adopted a much more critical perspective on the recent history of Easter Ross, seeing the area's vulnerability in the face of industrial demands, and seeing in domination by the oil industry particular threats for the local community.

He expressed his concern over the ad hoc planning decisions which had been taken recently and which were offered as the basis of forward planning:

"In examining the provision for industrial development in the Cromarty Firth area the ad hoc nature of the proposals is only too apparent. Large areas of
land, some ... being of potentially high agricultural value and others ... having considerable recreational and amenity value, have been released for large-scale heavy or special industrial use by way of unco-ordinated Article 8 Directions or grants of planning permission in principle. In some cases the *raison d’etre* for the release has either already been removed, or the scale and nature of the development is now in considerable doubt. ... If developed at anything approaching the frequently accepted norm of 25 jobs per acre, (this land) could ultimately sustain a population far in excess of anything envisaged in the housing and new settlement proposals for the sub-region including those contained in this Amendment." (Maycock 1973, para.153)

He pressed the case for guidance to be given to a local authority in a situation such as that facing Ross and Cromarty County Council, enmeshed in matters of national significance raising issues beyond their scope:

"That there is a pressing need for an overall national investigation and assessment of possible oil-related developments and their ancillary infrastructure, both conceivably of short to medium term duration, and for a co-ordinated approach thereto, is increasingly clear and unless attended to the present situation in counties such as Ross and Cromarty, with inadequate resources to evaluate and implement large-scale forward planning, can only be exacerbated. Limited investigations of this *ad hoc* nature conducted in the course of this inquiry for dealing with the vital and far-reaching issues involved are, I submit, quite inadequate if a satisfactory environment, with its complex physical and social infrastructure, is to be achieved." (Maycock 1973, para.155)

He supported the Easter Ross public in their concern over the Council’s seeming failure to undertake proper forward planning.
Having welcomed all industrial proposals, without regard for their wider consequences, it was to find that grants of planning permission were not taken up. On the question of zoning further land to facilitate additional developments, he expressed real concern at the possibility of the area becoming dependent upon a transient industry which in itself would bring little local benefit:

"There may be a grave danger inherent in releasing yet more land for industrial use, in particular land for oil-related industry which is based on the abstraction and processing of finite and diminishing raw materials and only too likely to become moribund within a few decades. Unless the industrial basis can be broadened to provide longer term employment potential, and unless short and medium term, i.e. temporary, industries are subjected to conditions requiring restoration of sites and/or their rehabilitation to, for example, agricultural or recreational use, the Cromarty Firth area could easily, by reason of its relative isolation from the mainstream of long-term economic activity within Britain, and ipso facto, Europe, degenerate physically and socially to a future depressed status." (Maycock 1973, para.157)

Having carried out this review of recent planning events and in seeking to assess the Council's strategy for the future, which had evolved from those events, the Reporter differed from the Council also in his assessment of the long-term housing need. While recognising that expansion capacity of existing communities was limited, he was most unhappy about the Council's proposals for building a New Town at Lamington. The existence of a New Town of a population as great as 80,000 could, he said, have "unforeseen
repercussions" for the regional centre of Inverness. (See Note 2)
It would destroy the balance of the area. (Maycock 1973 para.164)
Indeed, he argued against the area even being delineated a study
area, although it had been insisted by the Council that this would
not commit them to building the town. In view of the uncertainty
characterising events in the area it would, he said, be wrong to add
to that uncertainty even by as vague an action as this:

"Such definition (study area) is not only unduly
restrictive in this relatively undeveloped sub-
region, but it is also likely to engender "planning
blight" by interfering with the normal marketing
process in property dealings within or adjacent to
that area." (Maycock 1973, para.165)

Accordingly, the Reporter approved those provisions of the
Amendment which would allow housing and industrial expansion to
take place around Milton and established towns in the area, so to
accommodate current and immediately foreseeable demands. He asked
for provision to be made for industrial zoning to be removed from
sites on which Article 8 Directions or grants of planning
permission had been given once it became clear that they would not
or were unlikely to be developed, and he decided against the "study
area" proposals for Lamington.

The Secretary of State announced his decision on the Reporter's
recommendations in May 1974. In agreeing with Mr Maycock's
decision, he offered a quite different line of reasoning. The
proposals for the Alness foreshore area to be zoned for general industry should not be approved, he said, since the Article 8 Directions permitting platform construction on sites in that area should be retained. Here the Secretary of State showed greater commitment than either the Reporter or the County Council to seeing platform construction activities retain their claim to Cromarty Firth sites:

"... it would not be right to make this land available to industry generally while there is an urgent national need for provision of sites for this specific use, that is the construction of oil production platforms." (S.of S. 1.8.74, para.11)

On the matter of Lamington, he advised that the County Council did not require to have their proposals to study the area as a possible new settlement included within the terms of the Development Plan. They could proceed to plan for future housing need without taking this action. (S.of S. 1974, para.11)

The message from the Secretary of State to Ross and Cromarty County Council was therefore to continue as before. His concern was to see oil platform construction activities continue unhindered in the national interest, regardless of doubts expressed by the Reporter, or by the Council in their suggestions that companies would not develop their sites; that this was a temporary activity which should not be allowed to dominate the area (see page 176); and now by their attempt to have sites available for platform
construction made available to industry generally. Where the Reporter had questioned the basis of Council estimates (taken from recent industrial experience) of future levels of industrial activity and resulting population levels, the Secretary of State showed no such concern. Representing a Government which had adopted a laissez faire approach towards development of the North Sea oil industry, he encouraged the County Council to continue locally in the same vein, by retaining their openness to industrial development, thus to facilitate industrial activity.

**Housing For Industry**

While seeking to plan for the future and to prepare a housing strategy which would be consistent with their strategy on industrial development the Council were faced, between 1972 and 1974, with the immediate real demands brought by the firms which had become involved in the area, notably Highlands Fabricators and M.K. Shand. The Council sought to respond in line with their long-term commitment to industrial development. In the end, we again find that despite all their attempts to build an industrial future in the area through their planning and housing provisions, the Council's laissez faire attitude towards industry is rewarded by the area being completely dominated by the interests of industry and the market place.
As the Hi-Fab workforce increased dramatically during 1972, the Council agreed that County Council-managed caravan sites should be organised to provide temporary accommodation for incoming families, until permanent accommodation could be made available. They agreed to make no special provision for single people. They said they could look for accommodation in the private rented market, and sites could be identified on which construction camps could be erected and controlled during the construction phase of the various projects by the operators themselves. Single men travelling to the area for work and construction workers did not, in the Council's view, qualify for provision under a plan aimed at long-term industrial development. (P&D mins, 30.5.72) Hi-Fab responded by commissioning two sea-going liners to be berthed offshore at Nigg to house members of their workforce. Throughout Easter Ross authorised and unauthorised caravan sites were filled to capacity by incoming workers. It soon became clear that order should be brought to the situation. Accordingly, the Council suggested Hi-Fab might provide their own properly serviced caravan facilities at least until more permanent accommodation could be organised. (P&D mins, 4.12.72) The use of caravans to house incoming workers reached its peak during the years of highest employment at Nigg. By late 1975, a downturn in industrial activity throughout Easter Ross as new houses became available in greater
numbers eased the pressure significantly. Thereafter Hi-Fab built an on-site hostel for 400 which catered for the needs of their cyclical workforce (see page 218).

In their attempt to meet the rising demand for accommodation, the Council took some important decisions affecting the administration of their housing stock. First, they arranged for a Norwegian firm to supply them with 500 factory-built rapid-construction timber units. (P&W mins, 26.7.73) These were expected to be available for occupation within six months instead of the two or three years required for traditional construction methods. They were hastily grafted onto existing communities around Easter Ross. Alness and Tain were already communities of some size, so they could withstand this rapid addition without too much difficulty. In the small village of Balintore by contrast the addition of 200 houses in so short a time and without social and recreational facilities in support inevitably brought strains on the community.

Alongside these attempts to increase short- and long-term provision of housing in line with expected future job prospects and to make stop-gap arrangements in the form of organised caravan sites, the Council introduced a further important means of narrowing the gulf between supply and demand. They had concentrated upon increasing supply, but the continued shortfall in housing
provision required that some kind of rationale had to be applied as a guide to the administration of this desperately scarce resource.

In the isolated West coast concrete platform site at Kishorn on the shores of Loch Carron (11) the Council classed the presence of platform construction a temporary activity and an isolated intrusion, and introduced conditions designed to rigidly contain the effects of that work on the local community. (Int. Stansbury, 1.11.72) In Easter Ross the same County Council looked on Hi-Fab’s operations as a longer-term prospect and the fore-runner of further industrial activities. Accordingly, at Kishorn in line with its temporary status, the Council insisted that full responsibility for the provision of accommodation should lie with the company involved (Howard-Doris). In Easter Ross by contrast they chose to adopt what were interpreted as longer-term prospects within the realm of Council responsibility, for example, in disclaiming responsibility for provision of accommodation for single men, and choosing instead to concentrate their scarce resources on the provision of housing for married workers with their families. They defended this decision by referring to the other major construction project the Highlands had seen in post-war years, the installation of Hydro-Electric power. They likened the temporary construction aspect of the Hi-Fab project to that massive scheme, saying that in that instance the construction companies had been held responsible
for housing their workforce and the supply of rented accommodation through the Highlands had proved sufficient to meet the needs of those who could not be given spaces in company workcamps. (Int. Varwell, 20.4.77)

Responsibility for housing single men was handed squarely to their employers, since it was argued, they served company interests more than those of the Council. While they continued to make every effort to build family-sized units the Council therefore imputed to single men a lesser commitment to the area, one that would last for as long as the job. In practice, this category included anyone coming to the area without family commitments. These could be men who had travelled to Easter Ross, leaving their dependents behind, or men who had come in preparation for bringing their families at some time in the future. In 1974, 60% of all those employed at Nigg (1590) lived in some form of temporary accommodation, although less than a quarter of these (385) were classed as temporary workers by their employers. (NSOP, 1974)

As is common in projects of this nature, the Hi-Fab workforce was generally younger than that of Easter Ross as a whole. In 1974, 81.5% of Hi-Fab employees were aged under 45 and 62.1% under 35. The corresponding totals for Easter Ross, taken from 1971 Census figures, were 62.5% and 43.1% respectively. Of those employed at Hi-Fab, a large proportion (37.6%) fell into the unmarried category
and were therefore excluded from the Council's housing provisions. (NSOP, 1974) Although as we have seen, company-managed camps were introduced to cater for the needs of this group, it was not until both major employers M.K. Shand and Highlands Fabricators were successful in convincing the Council of the need for them. Reluctant to be associated with any taint of temporariness, the Council were initially unwilling to see the mushrooming of various forms of temporary accommodation, and it was in fact only as they saw that group termed temporary for housing purposes increase significantly that they relented. (P&W mins, 29.3.74) This meant a hiatus during which young single men and married couples without children scoured the surrounding area for caravans and farm cottages to rent.

In taking the decision to distinguish for the purposes of housing provision between single men and married men with families, the Council demonstrated that when under pressure to make a choice (forced on them by housing scarcity) they were indeed able to distinguish between company interests and those of the local community. Now confident of the companies' commitment to the area, they applied their perspective on industrial development (based on families) in the allocation of scarce resources, taking some measure of control over the impact of industry upon this community, a possibility which they had refused to entertain beforehand. (This
has its parallel in their planning response, imposing certain conditions on development after they were secure having shown little regard for their broader consequences at the point of their arrival.) Ross and Cromarty County Council were building for the future, and as far as they were concerned married men with families were the stuff that the future would be made of. This belief accorded well with the decision which they had taken to concentrate upon building 4- and 5-apartment family-size dwellings. (P&W mins 9.3.72)

In financial terms, too, this choice commended itself to the Council. When they had commissioned their rapid-construction system-built housing programme they found that the specification of only one or two house sizes offered the most economical and efficient arrangement. The overall programme would be cheaper if they restricted their choice of house sizes, so they could afford to buy more. Then, more generally, by limiting the range of building skills required, as well as house types and sizes, housing programmes throughout the area, system- and standard-built, could be completed more quickly.

The pitfalls of this kind of homogeneous building programme are obvious, but they are the price the Council chose to pay in seeking to carry forward its policy. The limited range of house sizes acts as an effective instrument of tenant selection. An artificial
social mix, comprising 4- or 5-apartment-type family units is the result, catering best for the needs of young families or families with some number of young people. Others, the unmarried, the childless couples, the older families with or without offspring, are specifically not catered for. An imbalanced social mix with attendant difficulties of integration would be experienced most acutely in isolated areas of sporadic mushroom development like Balintore and other small villages, which grew from nothing almost overnight.

As the interest being shown in Easter Ross fluctuated dramatically, the Council continued through 1973 and 1974 with their enlarged building programmes. In that time Highlands Fabricators and M.K. Shand were the only major employers to follow BACO into the area and employment at each of those yards passed its peak in late 1974. As we have seen, new projects failed to materialise, as did those for which planning permission had been obtained in the previous year or two. Accordingly housing demand was now much reduced from that anticipated earlier and by the end of 1974 the Council found themselves within reach of current demand.

Far from being downhearted at the failure of recent projects to materialise, the Council now resolved to take advantage of the slackening of demand to begin to build for the future, so that they
should not be caught short again as they had on the arrival of Highland Fabricators. Where the Government had intervened to ensure progress in this peculiarly important (to them) industrial activity, the County Council operated from a different perspective. They gave no particular attention to the specific demands of the oil industry, and within that to platform construction. For them all that mattered was that it brought a form of industrial activity to the area and that others should be encouraged to follow. Their actions had at all times been inspired by the desire to act in response to current demands in a manner consistent with their long-term strategy. Thus the peculiar features of their recent history, immediate housing demands, extraordinary fluctuations in industrial interest and an eventual decline in interest were matters of secondary importance. To the Council’s satisfaction they had established the area within the orbit of industrial activity, and now they should proceed to develop the industrial potential of Easter Ross.

In October 1974 the Council produced a further report, called "East Ross Demographic Study", in the preparation of which they had enlisted the advice of the Scottish Development Department (and technical assistance from the General Register Office in Edinburgh and the Department of the Environment in London). In this latest
Report the County Council were confronted with the extent to which the situation created by recent events on the industrial front differed from that which they had envisaged for the area in earlier statements.

Predictions of future growth based upon Council estimates of the County's capacity for expansion (Projection 1) were compared with predictions of an alternative future now anticipated to arise in consequence of the area's recent industrial experience (Projection 2). The variation between these two sets of predictions is given below (Table):

Table:

<table>
<thead>
<tr>
<th>Period</th>
<th>Projection 1</th>
<th>Projection 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971-76</td>
<td>+ 14750</td>
<td>+ 14750</td>
</tr>
<tr>
<td>1976-81</td>
<td>+ 10500</td>
<td>+ 7500</td>
</tr>
<tr>
<td>1981-86</td>
<td>+ 10000</td>
<td>+ 1500</td>
</tr>
<tr>
<td>1986-91</td>
<td>+ 9500</td>
<td>+ 1500</td>
</tr>
</tbody>
</table>

Source: East Ross Demographic Study 1974\(^{(12)}\)

Not only was the population level much reduced when new estimates of activity were introduced; so, too, was the anticipated population structure much altered. The new projection offered to the Council
recognised the predominance of young married couples and itinerant
male workers in the area's recent experience. Important
implications would follow for the appropriateness of the local
housing stock. It was now pointed out that smaller house-types
would be in demand rather than those built by the Council in
anticipation of large number of incoming families. More and smaller
units would be required than had been planned for by the
Council. (13) Thus the Council were brought to face a future rather
different from that for which they had been preparing.

As they tried to adapt to a situation much muted from that
envisaged a year or two earlier and to meet current demands, the
Council still had before them the Cromarty Petroleum refinery
proposals around which, at the end of 1974, there was much
uncertainty. Welcoming that project as "the only such in prospect
at the present time" and awaiting a decision as to whether it would
go ahead, the Council duly extended their building programme.
Knowing of the possibility of the refinery they could scarcely have
done otherwise. However, as we have seen, the outworking of that
project was to point once more to the weakness of the Council's
position in matters which were to be decided ultimately on the basis
of commercial and political considerations taken elsewhere.
Think Again

The District Council which took over from Ross and Cromarty County Council following reorganisation of Local Government (See page 226) distanced themselves from their predecessors' actions most strikingly in relation to their housing policy.

By 1975, the promise of earlier years had given way to a rundown in activity at the major sites established in the area, and uncertainty surrounded the future. Temporary construction workers had, in the main, found no new market for their skills and had left. There was considerable evidence, too, that others who had come to the area with their families saw little prospect of future employment and had left. In addition, many of those who had been housed in Easter Ross were now unemployed. The area could offer accommodation to incoming workers, but it could offer little hope of employment. Everything hinged upon the development of the refinery. The new Council were not impressed by the effectiveness of County Council policy in bringing about industrial development - nor with the rationale behind it. (Int. Fowlie, 18.10.78) They carried out an immediate assessment of current housing programmes.

This resulted in the rapid-construction programme being stopped on grounds of cost and because it was no longer required. It was found that the figures upon which the most recent predictions of a shortfall in housing provision had been based showed considerable
duplication. Many applicants had applied not only to the District Council but to the Housing Society and Association. The size of housing demand which had then provided guidance for future programmes was the aggregate of these applications.

The District Council chose to distinguish between their responsibility for providing houses to meet the general needs of the local population and for meeting any projected needs of industry, saying that they would be responsible for meeting general local needs only. Their rejection of a policy of building to meet anticipated industrial needs was highly significant, for it marked the separation in the Council’s mind of local interests and those of industry and national policy - a complete about-turn from the County Council belief that industrial needs and those of the area were necessarily complementary. For them, incoming industry seeking to develop on the basis of local assets could provide for their own needs, with support from Central Government if necessary. (Int. Stuart, 26.9.77)

This decision, to cut back the County Council’s building programme, was accompanied by another which recognised the incidence of single workers currently employed in Easter Ross. A stock of Council housing would, as a matter of policy, be adapted to suit their needs, and in future single persons would be admitted to the Council waiting list. At the same time, Cadboll Wood caravan
site at Alness, having offered accommodation to large numbers on a temporary basis, was now returned to more conventional use. (H.C. mins, 21.1.75)

In their assessment of local demand for housing, the District Council found that they were faced with a possible surplus in their stock of housing while still supporting expanded building programmes. The effect of the rundown in industrial activity on labour and housing demand was obvious throughout the area. The Hi-Fab hostel ship had 300 vacancies and the firm's work camp 70. In addition it was known that the SSHA, who had been building for key industrial workers, primarily, were experiencing difficulty in finding tenants for houses which were close to completion. Accordingly the Council voted not to proceed with planned building programmes and to cut others, including a 136-house project at Nigg, which was reduced to 10. (D.C. mins, 22.4.75)

It was clear by now that the SSHA were facing greatest difficulty as a result of industry's growing indifference towards the resources available in Easter Ross. Having been directed to the area specifically to cater for the needs of industrial workers, the Association found that as industrial activity contracted, and the demand for housing for industrial workers fell away, it was they who suffered most acutely from the effects of over-provision. (Int. Borland) Most of their programmes had advanced too far to be
cancelled now. A compromise was therefore reached with the District Council, which relieved the pressure on the SSHA, but turned their involvement in the area into something very different from the support of industrial development which had been intended.

It was agreed that the SSHA should continue to oversee the completion of current programmes. These would then be taken over by the Council on an agency basis. The Council would then allocate these houses to applicants on their waiting list. This measure served well in Dingwall, where the growth in Local Government administration and other service activities created a growing demand not directly related to activities at the industrial yards. But in Milton, expressly built to cater for developments at Nigg, and isolated from existing centres of population and services it was rather less successful. The Council tried to relieve the situation by taking over around 50 of the 186-house programme to let to general needs applicants. This did little to encourage the SSHA, for they were still left with a large stock of housing and no demand.

(Int. Smith, 18.10.77)

A prime motivation behind building at Milton had been the possibility that Cromarty Petroleum's refinery would come to the area, bringing with it a sizeable demand for housing. SSHA officials now say that they had been reluctant to build on the scale laid down, adding as they were to the extravagant levels
established by the local authority. Controlled by the Scottish Office, and given Central Government support for the promotion of oil-related developments, they really had little choice. Milton they regarded only as a speculative exercise. Whether or not the refinery came, they say, this community would have been badly sited, remote from other centres of population, and badly serviced, with poor communications, an impetuous and ill-advised choice on the part of the Council. (Int. Borland)

SSHA fears that Milton would lie some way down applicants' order of preferences were proved right. The SSHA were most seriously hit as the failure of other jobs to materialise, added to the loss of existing work, lowered the demand on public housing programmes generally. The local authority had built mainly around existing centres of population. Their rents were lower than those of the SSHA, for similar housing. The existence of a stock of local authority housing made applicants' rejection of SSHA's Milton option all the more likely. Thus the SSHA found from the end of 1974 onwards that there was little or no demand from this quarter for their housing. Once all the Category I Oil workers (key industrial workers) on their waiting list were housed, the SSHA were forced to make the remainder of their houses available to lower priority groups on the waiting list. These were typically people who found themselves lower on the local authority's waiting list (perhaps on
account of residential qualifications, or age) and who were willing to pay the higher prices of the Association.

The SSHA were made all the more vulnerable to market changes by the timing of their entry to Easter Ross. For they only started to build in the area in 1974, when industrial developments were at their short-lived peak. Thus subsequent programmes were in not very advanced stages of construction when that peak was passed and while established industries faltered. By Christmas 1977 the SSHA turned to a national advertisement in the Daily Record, offering houses for people who wanted to start a new life in the Highlands. The response was poor, mainly from retired couples who would be low on any Council's waiting list. This was followed by a T.V. advert asking people to contact the local office at Tain. Again there was scant response, with retired couples again in the majority. Milton is therefore inhabited not by a burgeoning industrial population, but by retired couples, or people simply looking for a 'fresh start' in the Highlands. By mid-1978, 28 of Milton's houses had had no tenant.

The success of the SSHA venture was always going to be dependent upon the development of future industrial plans for the area. By nature of the organisation, the SSHA, administered centrally, could be expected to be less flexible in responding to the dramatic fluctuations affecting an area like Easter Ross. Housing
programmes are cumbersome, and they certainly found themselves suffering from bad timing - too far advanced on programmes to withdraw, and not far enough advanced to be able to respond to the demand for housing at its height.

On the other hand, the critical factor which led to a change of direction following a review of housing demand on the part of the local authority was the change in Local Government. There is no reason to suppose that the County Council would have deviated from their plans for continued building (1574 new houses in the two and a half years from early 1975). What this episode demonstrates again is the extreme vulnerability which results from the adoption of a laisser faire approach to industry by Central and Local Government, combined, locally, with a disregard for the implications of the freedom with which the market may then engage with a given area.
We have seen in our study of Ross and Cromarty County Council an attempt by this local authority to meet the demands of oil-related developments, under considerable pressure from the scale and rate of industrial activity and from a Central Government bent on ensuring rapid development of the off-shore industry. Their long-standing identification with the interests of large-scale industrial development led Ross and Cromarty County Council to identify unquestioningly with the interests of the oil industry and to seek to adjust their provision of planning and infrastructure accordingly. Through their involvement with this most commercially and politically sensitive of industries, the Council, as we have seen, then experienced first-hand the independence of industrial interests from those of the host community. Where they had been convinced that involvement with any industry that could be attracted to Easter Ross would be to the mutual benefit of both industry and community, the Council were now faced with a possibility they had not entertained, that the interests of industrial expansion may not necessarily coincide with those of the host community, and that good may not flow inevitably from
industrial activity within the area.

The question arises as to whether, in responding to the demands of the oil industry as they did, Ross and Cromarty County Council really had any alternative. Were they simply doing what any diligent local authority should do, in a situation of competition between the regions and in recognition of the particular pressures brought by the oil industry?

Ross and Cromarty’s experience in the early 1970’s was echoed in the experience of several areas around the eastern coast of Scotland and the north-east of England, where proximity to North Sea oilfields and other physical advantages (notably, areas of developable flat land and adequate harbour facilities) lent themselves to the establishment of service or supply bases or construction facilities to support offshore operations. Meanwhile, in the deeper waters of the west coast, sites were established for the construction of concrete production platforms.

(See map 8, page 279)

The North East

At the forefront of Scotland’s involvement with the North Sea oil industry has been the north east, with Aberdeen at its centre (see map 1, page 2) dubbed the "Houston of the North". Prior to
Map No. 8 - Sites of Major oil-related developments: Scottish mainland
the arrival of oil, the economy of the area was dominated by agriculture, fishing and food-processing. After a period of decline marked by a slow but steady out-migration from the area (Geoghegan, 1982, pp.22-27), when oil-related developments arrived on the scene in 1970-71, it was to find the town of Peterhead prospering through expansion in the fishing industry after the white-fishing fleet had transferred there from Aberdeen. Meanwhile, the city of Aberdeen and the surrounding area were beginning to experience the benefits of expansion in the service sector and in traditional industries after a period of stagnation and a slow but steady population loss through out-migration. Thus it was into a growing economy that the oil industry moved, "transforming modest growth into a rapidly moving economic boom". (MacKay and Mackay, 1975, p.120)

The north east was not taken entirely by surprise by the arrival of this new industry. As exploration off-shore had built up in the late 1960's and the results of that activity began to filter through, it was clear that Aberdeen, the nearest large port and business centre to the oilfields would be asked to play a role. Labour Minister of State at the Scottish Office J. Dixon Mabon encouraged local authorities in the area to come together and set up a development authority (North East Scotland Development Authority - NESDA) and an overall planning advisory council (North East
Scotland Joint Planning Advisory Council - NESJPAC). Since their inception these two bodies have attempted to match local provision and local resources with the needs of incoming industry and to support the establishment of a solid industrial base on the strength of oil companies' involvement in the north east. They have sought to respond to the demands of this new industrial activity with an integrated approach, combining their industrial promotion and physical planning roles. This has been particularly important in the north east, where industrial activity has crossed local authority boundaries.

When it did come, however, the build-up in oil companies' interest in Aberdeen and further north, Peterhead, was overwhelming. By the end of 1976, over 200 companies wholly related to the offshore industry had been established in the city, over a third of the total in Scotland as a whole. In its business and political life Aberdeen is dominated by a highly integrated network of local families. These were quick to see the opportunities presented by cooperation with the oil industry, shown in the welcome extended by local councillors to "the new challenge". (Hunt, 1975)

The incorporation of oil-related activities into Aberdeen has not been without its difficulties, however. It has been estimated that in the year from mid-1971 Aberdeen Town Council planners had to
deal with an increase in planning applications from 1200 to 2200. (Aberdeen People's Press, 1976) This may be compared with the increase in planning applications coming before Ross and Cromarty County Council during the period of greatest interest in Easter Ross, where the 1967 total of 550 applications leapt to 1200 in 1970 and 1700 in 1972. (SM, 6.7.72)

As in Easter Ross, pressures brought by the sheer scale of demand were exacerbated for Aberdeen Town Council by the additional pressures imposed by the oil companies in justifying their choice of site. In 1971 the Town Council rescinded a commitment given in the 1960's to preserve the picturesque fisher village of Old Torry, after Shell threatened to withdraw from the area unless their demand for the Torry site (for construction of a 24-hour marine service facility) was met. (AJ, 26.6.74)

In population terms, too, the arrival of oil-related developments has brought considerable change for Aberdeen. The effect on resident employment alone was calculated to be an increase of not less than 10,000 by 1978. (HMSO,1978) This has helped reduce local unemployment, from 3.6 per cent in 1971 to 1.9 per cent in 1975, keeping the unemployment rate well below that of Scotland as a whole. At the same time, it has presented the community with particular difficulties. As has been noted by a number of observers, a major constraint on growth within the
Aberdeen area has been a shortage in infrastructure support, particularly housing (see, for example, Geoghegan, 1982). Land and house prices have escalated under the pressure of demand, (MacKay, 1975) bringing particular difficulties for local people in non-oil work. It has been pointed out that the shortage in housing has had the effect of restricting in-migration, hence intensifying pressure on the local labour supply. This has been reflected in the failure of population growth within the city area to keep pace with the increase in local employment during the build-up in industrial activity between 1971 and 1974. (HMSO, op. cit.)

In their study of the effect of oil on the economy of Aberdeen, Harris et al. have commented on the burden imposed upon this community through the arrival of oil-related developments. (Harris et al., 1984) Local people and local businesses have had to contend with higher prices and higher wages. This has resulted in a decline in traditional industry, most notably in indigenous manufacturing activities. The growth of oil-related activities in the city has been marked by a shift in the ownership of industry towards external control, with a corresponding loss of local autonomy. Only one in four engineering firms engaged in the oil sector is local, while between one-half and two-thirds of firms involved outwith the buoyant oil sector are local. As Hunt (1977) has shown, the oil-related manufacturing firms which have come into the area have
tended to retain those functions outside the area which would have given their operations some permanency - executive decision-making, training and research and development. The result for the Aberdeen economy has been "domination by an industry made up of highly mobile firms", (Harris et al., 1984, p.20) leading to longer term fragility.

Harris has attributed the Aberdeen area's growing dependence upon oil-related activities at least in part to the activities of the local authority as mediator for the industry's entry into the area. The locational factors, of proximity to North Sea oil fields and the availability of adequate harbour facilities, they identify as decisive in establishing the pattern of onshore activities. This has been agreed by a number of observers. (See for example HMSO 1978, p.44) However, the actions of local authorities have been significant in influencing the extent of their involvement in particular areas, also the local impact. In the exercise of local responsibility for economic development and physical planning, they (Harris et al.) observe that economic ends have been pushed through the planning process (as in Easter Ross). The Town Council's role is passive "in that it supports rather than implements the formation of capital". (op.cit. p.18) This means that the initiative in matters affecting the economic structure of the region is taken to lie entirely in the hands of Central
Government. Local Government was concerned itself only with the provision of services or infrastructure uncritically to support changes in the local economy resulting from decisions taken elsewhere on the basis of commercial and political considerations.

The story has been much the same 30 miles to the north, at Peterhead. When it became clear that the harbour at Peterhead was ideally situated to act as a back-up for the pressurised facilities at Aberdeen, it took the Government only three months to push through legislation repealing an 1886 law which restricted use of the town's Harbour of Refuge to that of a shelter, as its name suggests. Once available for commercial use, the overflow of service and supply activities from Aberdeen soon became located there, to be followed by a gas terminal, an oil terminal, a new power station, and proposals for further developments, including an ammonia plant and a petro-chemicals plant.

Although in mid-1976 it was estimated that a total of 4,700 workers in Peterhead were employed in oil-related activities, the activities established in the area have in fact provided relatively few permanent jobs, the two terminals and associated operations employing around 400 people. (HMSO, 1978) The effect on this community of surges in employment, much of it in temporary construction activities or offshore work, has been profound. Major
difficulties have been encountered by indigenous firms losing labour to the incoming companies. Pressure for housing, exacerbated by a shortage of local labour in the building trade, has affected incoming workers. Local people have also felt the effects as land and house prices have increased to beyond what they can afford on local wage rates. (Geoghegan, op.cit. 1982)

Prior to reorganisation of Local Government, at the peak of the oil industry's involvement in Peterhead, responsibility for planning lay with Aberdeen County Council (as in Ross-shire), while the provision of housing was a Burgh responsibility. The County Council were committed to industrial development, mainly because of the jobs involved. Their approach to the prospect of large-scale industrial activity was to seek to ensure an easy passage for incoming industry. From time to time, particularly in relation to the ammonia plant and petro-chemicals proposals, Burgh Councillors expressed concern over the environmental impact of future industries. However, unlike in Easter Ross where the land-use issue served as a focus for objectors to specific proposals, there was no such unifying focus in this community. In addition, the local Provost, T.J. Smith, who was also a member of the County Council, played an important role. Thoroughly committed to industrial development, he tended to defuse local opposition to industrial proposals. He was supported by local businessmen on the Council who
saw in expansion of the town new business opportunities. Thus, when opposition was raised, for instance before and during the public inquiry into the ammonia plant, it was poorly organised and easily overwhelmed by those in favour of the project for the jobs it would provide. The result for the town and the surrounding area was that decisions were taken piecemeal to locate new industries, without regard for community organisation or their combined impact. As in Easter Ross, the promise of industrial activity and the creation of new jobs transcended consideration of particular physical planning implications.

In his study of Peterhead, Robert Moore has shown that the planning and housing issues presented to this community were similar to those faced by Ross and Cromarty. (Moore, 1982) When Aberdeen County Council Planning Department, with no previous experience of large-scale industry, received an application for planning permission for petro-chemical developments at nearby St. Fergus, they engaged a firm of consultants to advise them on the local impact, as Ross-Shire's County Council had done in similar circumstances. Then, just as Easter Ross in the period of this study, was dominated by uncertainty over the rate and scale of developments on land zoned for industry, in Peterhead the single major factor occupying the attention of local planners was uncertainty over the level of petro-chemical activity which would
ensue. Downstream petro-chemical production would bring new industrial activities which would change the character of Peterhead profoundly. By contrast, primary petro-chemical processing with the emphasis on transhipment would bring the most superficial impact for the local economy.

After a series of attempts at predicting future levels of population increase on the basis of the various eventualities before them, local planners in 1975, when the picture was clearer, learnt that their planned provision of land and housing was inappropriate in terms of current and anticipated needs and that they would have an excess of as many as 1,500-2,000 houses. As Ross and Cromarty's estimates of growth had been revised downwards after the peak of industrial interest had passed, news that primary activities only would take place led to a shrinking in estimates of population growth in the period 1975-81 from 6,000 in 1973 to 1,500-2,000 in 1976.

Robert Moore has commented on the lack of concern felt by Central Government for the effect on the life of local communities of their involvement with the oil industry. Their one overriding concern was to see the industry flourish (viz., for example, the establishment of the British National Oil Corporation - BNOC - to engage in North Sea operations):

"In this context we can understand why the local
problems of Peterhead were as marginal to the state as they were to the oil industry and why the local authorities could therefore be left to cope within the existing and inadequate administrative framework." (Moore, 1982, p.175)

Central Government concern over the difficulties facing such areas was aroused, as we saw in our consideration of Easter Ross, only over the areas' capacity for responding adequately to the demands of incoming industry - so as not to impede industrial operations. This concern was put into words in a SDD circular of 1974, in which guidelines were issued for processing applications:

"The Secretary of State is anxious to ensure that all planning applications, and particularly those for major oil-related proposals of importance for the local and regional economy and the development of North Sea Oil, are processed as rapidly and efficiently as possible..." (SDD, 16.5.74)

In fact, as Moore has observed, the operation of UK regional policy favours the development of capital-intensive industries in such areas as the north of Scotland. (Moore, 1978, pp.30-31) Central Government identification with the interests of capital over the interests of host communities was simply intensified in the case of oil.

Left to respond piecemeal to the particular unpredictable demands of their involvement with the oil industry, in their first Regional Report Grampian planners sought guidance from Central Government in terms of which they could then make informed
decisions for Peterhead and the surrounding area:

"The Secretary of State is requested to concentrate planning effort at a national level on the development of an oil and gas strategy for Scotland, in conjunction with the appropriate planning authorities and to indicate the role of the Buchan Area in that strategy to enable the Regional and appropriate district council to amend their programmes accordingly." (Grampian Regional Council quoted in Moore, 1982, pp.37-38)

No such advice was forthcoming. In their failure to respond to this request and their persistence in adhering to a *laissez-faire* approach to oil-related developments, Central Government demonstrated for this area, as they had for Easter Ross, their desire to see the market prevail in determining the course of on- and off-shore operations. Robert Moore's comment, inspired by Peterhead's experience is applicable to all northern local authorities touched by the oil industry:

"...the local social impact of oil is so peripheral to the state's interest that it has not seen it as politically necessary to take any steps to empower the local authorities to deal more effectively with the problems they encounter." (Moore, 1978, p.33)

**Common features of involvement with the oil industry:**

Clearly, the impact of oil-related developments upon these two communities, of Aberdeen and Peterhead, has exhibited many features which were also common to Easter Ross, during that community's involvement with the oil industry. To this extent the
features which we have just considered may be seen as a phenomenon of the introduction of oil-related developments.

The nature of the oil industry imposes certain demands, in terms of rate and scale of development, and in the configuration of onshore operations. Central Government concern to see the oil industry develop as rapidly and profitably as possible has only added to the pressures on those communities most involved. The multi-national corporations which dominate the industry tend to continue this domination when branches of their industry turn to new communities such as Aberdeen or Easter Ross. They possess capital, knowledge, technology and managerial resources which may be readily re-located. Local industries will be relatively disadvantaged in entering new oil-related areas. The labour demands of incoming industry and the offer of higher wages (if only for longer hours on a short-term contract) may lead to the decline of local activities through their inability to compete in the labour market. Two communities may result, the buoyant oil sector and the weakened or declining local sector. In Aberdeen as in the Highlands, the impact of incoming industry was felt in the local labour market. (See Chapter 3)

In planning terms, too, the arrival onshore of oil-related developments presented similar difficulties for each of these communities. Innovative technology and inexperience in North Sea
operations, not to mention concern for market conditions, all created an atmosphere of uncertainty which underlined the ignorance of local authorities in dealing with oil firms' proposals. Here they were dealing with an industry which was itself unclear about the future.

Of one thing incoming firms were quite certain, and that was their desire to ensure a viable operation when required. Easter Ross was particularly affected because of the potential of that area for platform construction. In a situation of uncertainty over the demand for platforms, as we have seen, numerous firms secured for themselves the option of proceeding with the massive operation of platform construction if they won an order.

The dimensions of uncertainty surrounding on-shore work has really only been appreciated in hindsight. Local authorities' response to proposals for oil-related developments was made on the basis that the companies would then proceed with their plans as described. In this, the single factor dominating Council thinking, whether in Easter Ross or Aberdeenshire, was the number of new jobs involved. There was no thought for identifying the special characteristics of oil-related developments. They would unfold later. For the moment all that mattered was the existence of industrial proposals and the promise of jobs. Thus in Aberdeen and Peterhead, as in Ross and Cromarty, the local planning response was
designed to serve the needs of incoming industry. Thereafter, local authority provision of services and infrastructure was organised also with the interests of industry in mind.

As Councils generally predisposed to respond positively to the demands of incoming industry, the Town Council in the case of Aberdeen and the County Council for Peterhead showed no inclination to resist or even question the "take us or else..." negotiation style of oil companies. In this they acted no differently from Ross and Cromarty's County Council. Each identified wholly and without qualification with the interests of industrial expansion. That there may indeed be a conflict of interests between those of the international oil industry and local Scottish communities is demonstrated in a study of Peterhead or Aberdeen as well as one of Easter Ross.

Easter Ross differs from the other two in its long-standing identification with a clearly articulated development philosophy and an industrial strategy, refined through recent experience, within which the prospect of oil-related developments was readily encompassed. This meant that while each of the Councils welcomed the prospect of industry and sought to respond to the requirements of new firms, Ross and Cromarty County Council simple revised their zoning provisions and building programmes etc., already geared to the establishment of an industrial community, to reflect the
contribution of this industry to their long-term industrial ambitions. Thus projections of future population and building targets were revised upwards, giving rise to that comment about their "magic arithmetic" (see page 152). As a result the difficulties presented by involvement with oil-related developments has been exacerbated in Ross Shire's case. By banking on this new industry for the realisation of their long-hoped-for industrial future, and planning accordingly, the community in and around Easter Ross was more exposed to the effects of the uncertainty which was eventually to characterise the industry's dealings with the area. In Aberdeen and Peterhead, the same welcoming stance was assumed, but from a shorter-term perspective, so that the requirements of particular proposals were considered on their merits. This involved no more or less of a piecemeal approach than that of Ross and Cromarty; only in Easter Ross's case, the response was exaggerated by the ideological context which we have considered in earlier chapters.

Having considered the common elements of the response of those three communities to the prospect of oil-related developments, we now come back again to the question raised at the beginning of this chapter; is there an alternative? May a Council respond to large-scale industry in any other fashion than the general welcome handed
out in Easter Ross, in Aberdeen and Peterhead, by which industry is
given freedom to dominate the host community?

The Shetland Experience.

"The ability of local authorities to withstand the
open threats of development blackmail with foresight
and in the knowledge that they hold the trump cards is
the only possible deterrent against panic planning."
(AJ, 26.6.74, p.1437)

In Shetland we have an example of an alternative response to the
arrival of oil. Acted out around much the same time as the oil
industry's involvement in Easter Ross, we have here a quite
different outlook on the community's contact with large-scale
industrial development. A different cultural outlook, and very
different socio-economic conditions before the arrival of oil are
all reflected in a response to this industry which contrasts with
that of the mainland communities described above.

Culturally, Shetland lying more than 100 miles from Scotland
and 800 miles from London, is a distinctive community. Its
distinctiveness is clung to jealously by a population at pains to
point out that the Shetland Islands are closer to Norway than to
Scotland and to claim the Norse influence that underlies their
culture.

Since the days when the Maid of Norway made her ill-fated voyage
across the North Sea, to settle the ownership of the Islands,
Shetland's allegiances have been ambivalent. Cultural affinities between Shetland and Norway are clear in the Islands' on-going life and in their ceremonial traditions. The Viking ceremonials of 'Up-Helly Aa' which are held each January reflect the Shetlanders' persistent claim to their Norse past. Knitwear and craft goods produced on the Islands also reflect the same Norse influence on Shetland culture.

Shetlanders' efforts to establish their separate identity, distinct from that of the Scottish mainland, have been especially significant in recent years. In 1969, proposals from the Wheatley Commission on re-organisation of Local Government in Scotland that the new Highland Region should extend to include Shetland were successfully challenged. The Islands' representatives argued that it was inconceivable that the specific problems of the Shetland Islands should be considered in the same terms as those of the Scottish Highlands generally, least of all the southernmost tip of this new region, Argyll, some hundreds of miles to the south. As a result, the Islands were granted the special status of an all-purpose island authority.

Resistance to any erosion of Shetland's identity was again shown during the campaign for a Scottish Assembly. Shetlanders fought vigorously the notion that the Islands could be readily incorporated within the remit of an Edinburgh-based devolved
parliament. They argued that their conditions and their identity are as distinct from those of Scotland as of the UK as a whole, hence no purpose could be achieved by joining forces with the supporters of a campaign for devolution and the setting up of a Scottish Assembly. Local animosity to the spirit of devolution won for Shetland a special place in British politics, and the respect of those having little sympathy for the concept including the Conservative Government of the day.

Historically, Shetland’s economic experience was similar to that of the Scottish Highlands, only with a greater sense of internal cohesion as a reflection of the area’s geographical isolation. Shetland’s trading links with other sections of the British and international economy have been mainly through the development of the Islands’ natural resources, their land, their sheep and their fish. The outcome has been a great dependence upon the development of indigenous activities — in farming, but principally in knitwear and fishing, to meet the demands of external markets. The dependence of the community upon meeting these external demands for their finished products is everywhere appreciated, just as is the effect on the community of a failure to do so or of changes in demand. Periods of boom when local goods were in great demand, followed by barren periods of bust as a result of declining demand
or crop failures were a characteristic of Shetland’s experience, as of the Highlands’. The Clearances, when landowners displaced tenants from their land came to Shetland later, in the 1850’s. Here, too, this period has left behind a strong sense of grievance over the sacrifice of local interests to satisfy the demands of the external economy.

Memories in Shetland retain very clear images of the effect on the whole community of recent recessions in the farming and knitwear industries. In response to world demands for mass-produced goods at reasonable prices very real and urgent attempts are now being made to introduce mechanisation while retaining craft-distinctiveness in knitwear. This has meant the development of factory works, replacing the home knitters, but where possible retaining their skills. Fishing has been marked out as one of the Highland Board’s real success stories, and nowhere has this been realised more efficiently than in Shetland. Ian Carter has drawn attention to the Shetlanders’ facility for taking advantage of the Board’s financial assistance (Carter, 1973) - evident in the Islanders’ ability to marry the Board’s desire to strengthen and develop Highland fishing activities with the terms of its grants and loans provision.

By the early 1970’s, a new stability had been brought to Shetland, mainly through the assistance provided for those
industries on which the Islands had depended traditionally. By the
time the oil industry first approached Shetland, a spirit of
optimism therefore prevailed, so that local author James R.
Nicolson could claim that;

"unprecedented expansion of the basic industries of fishing, agriculture and knitting carried Shetland
to an all-time peak of prosperity". (Nicolson, 1975)

In a total population of less than 20,000, a third of whom live in
the main town, Lerwick, even relatively slight changes in economic
performance bring a significant impact. It was therefore with both
confidence and fear that Shetland people learnt in 1972 that the oil
exploration activities which had begun the previous year had
resulted in a significant find north-east of Shetland, in the East
Shetland basin. Their confidence stemmed directly from the
strength of the local economy; their fear from the threat they saw
in this new industry to undermine traditional indigenous
industries, now strong again. They feared that the demands of a
large-scale development connected with the oil industry would draw
employment away, for a few years' prosperity until the oil ran out-
leaving the Islands again exhausted, their local industries
hopelessly weakened.

Shetland's reaction was to accept the inevitable, but
grudgingly. It was commonly regarded as unavoidable that, "in the
national interest", some kind of oil involvement would be demanded of the Islands. Less concerned with the national interest than with Shetland's interest, with the national economy than with Shetland's economy, the Zetland County Council took a unique initiative. The crux of their argument was quite simply that the oil companies needed Shetland more than Shetland needed oil. The companies should then, they said, not expect an unconditional welcome. They should be asked to meet certain terms.

Accordingly, the Council framed its policy on oil in the following terms:

"This County Council, recognising that it may be in the national interest that Shetland be used for oil installations, and having sought to devise policies and to provide machinery which recognise the national interest while protecting those of The Shetland Community, will continue to have regard for the national interest but will give no encouragement to developments and will oppose proposals where these developments or proposals put Shetland at unnecessary risk or fail to provide available safeguards and will at no time put commercial or industrial interests before those of the Shetland Community." (SIC, 1977, p.13)

Ian Clark, the Islands' County Clerk and, after Regionalisation, Chief Executive, has described the sense of responsibility felt by this local authority in facing the impact of an industry like oil, whose course is defined ultimately by political and commercial considerations:

...I think what the Shetland experience has shown,
not only to this nation but has shown the world wide according to the interest which it has generated, is that a community if it really sets its mind to uncovering the hazards as well as the potential gains, and if it sets its mind to controlling developments in its own best interest, can do so no matter how small it is. But the lesson is that the responsibility rests within the community itself. It can't abdicate from that responsibility and expect anyone else to look after it." (Clark, 1978)

If any person could be held responsible for Shetland's critical response to the arrival of oil-related development, it is Ian Clark. A man of astute mind and firm-held Christian conviction, Clark carried into his negotiations with the oil companies his belief in the individual's responsibility to the wider community. He urged his Council to take the initiative in representing the interests of the Shetland community against the influx of money, jobs, a large industrial workforce and corporate power, which he saw as potentially disruptive forces. He argued that the Council could wring some compromises from incoming industry, since Shetland offered an ideal landfall for work building up off-shore. The merits of the Shetland landfall were not so marginal, he said, as to be undermined by an attempt to set conditions on firms' involvement in the area. After all, it was in the firms' interests to establish bases in Shetland. Thus Shetland's response to the oil industry was inspired by a much more complex motive than that of reaction against change, which has been suggested by Hutcheson and
It has involved a cool-headed calculation of how might the Islands reap maximum advantage from their time of involvement with the industry.

Shetland was indeed in a peculiarly favoured position when exploration off-shore moved northwards during the late 1960's. From their vantage point close to the highly promising fields of the East Shetland basin, (see map on page 303) the Islands offered unrivalled sites for the landfall and transhipment of oil as well as for facilities to service off-shore installations. (Hutcheson & Hogg, op.cit., p.66) The importance of Shetland as a terminal for the landing of North Sea crude oil was only underlined by a Central Government ruling that all oil extracted from the UK sector should be landed in the UK, thus ruling out Norway as a landfall for the northern fields off Shetland's coast. The apt observation has been made, that while mainland Scottish sites competed with one another to attract oil-related developments to relieve the effects of economic recession, "Shetland had oil thrust on her". (Power, 1978, p.19)

In August 1972, after 13 months of appraisal drilling, Shell-Esso announced their discovery of the Brent Field off Shetland's north-east coast, and "established this area as one of the world's major off-shore sources of oil and gas". (SIC, 1981, p.12) At this
point Zetland County Council was one of fewer than half-a-dozen British planning authorities not to have produced a Development Plan. "Until now, Shetlanders have had no need for Development Plans", it was said. (SM, 7.10.76)

As activities built up off-shore, it became clear that the Islands could no longer continue in a state of unconcern over planning issues. Accordingly, a Department of Planning was established and a staff of planners recruited. They were asked to prepare an interim Development Plan which would offer a strategy for responding to approaches from industry and to identify priority areas for detailed survey work. Even as this interim plan was being prepared Shetland's significance to the off-shore industry unfolded dramatically. In just a few months in 1972, three major oil discoveries were made in the north-east and one to the south-east of the Islands. A major gas field was announced due-east, and to the west further areas of licensed territory were known to lie awaiting exploration. Oil-rig servicing activities had already made some impact in Shetland. Now that these were joined by the off-shore finds and potential for related on-shore installations Shetland found itself established as a major centre in the extension of UK's oil industry. Local Councillors braced themselves to meet "the greatest challenge in our history", the now inevitable development in Shetland of major oil works. Meanwhile, on-shore, the Shetland
branch of OIL (see page 178), called Nordport, unveiled extensive plans for oil-related projects. They had taken out options on around 5,000 acres of land, principally at Sullom Voe, on which they proposed to organise the development of terminals for transhipment and for service bases, along with the necessary supportive accommodation, recreation and social facilities.

Shetland's reaction to this growing interest, under the guidance of Ian Clark, was to intervene so as to take some measure of control over events affecting the Islands. The decision was taken to turn down the Nordport application and to seek to gain for the Council powers to participate effectively in the industrial environment. In November, 1972, the Zetland County Council set in motion their attempt to play an active part in controlling the course of industrial development. They sought to obtain powers under the Private Legislation Procedure (Scotland) Act, 1936, to acquire land for development, compulsorily if necessary, to control developments through harbour management and by their authority for issuing operating licences. They also looked for powers to take equity in incoming companies. The Council have summarised their intentions in taking this initiative:

"The Provisional Order was sought as a reinforcement of the Planning Acts. It would prevent speculators monopolising the land, and thus inhibiting its best overall usage for the benefit of the community. It would also allow the Council a continuing control
over developments. Without additional legislation, such activities would have been beyond the powers of the Council as a local authority." (SIC, 1977, p.14)

In accordance with the increased powers which the Zetland County Council hoped to obtain, in January 1973 they commissioned a firm of consulting engineers, Livesey and Henderson, to study and prepare a report on the suitability of the natural harbours around Shetland's coast for major oil-related developments. The findings of this study, completed in July 1973, established the Sullom Voe area in the north of Shetland's mainland, as the site most suited to this kind of work. The Consultants' choice has been borne out by the concentration subsequently of industrial interest in Sullom Voe and the surrounding area. Thus, it has been in their negotiations with firms over their development of the Sullom Voe site that the Council's attitude to the industry was to be articulated most clearly.

In the Islands, reaction to Zetland County Council's proposals was mixed. Some people opposed the Council's decision to take equity in incoming firms. They questioned their Council's motives, and especially those of their County Clerk, implying that he stood to gain personally from his involvement with industry. Some accused the Council of siding with industry at the expense of the local community, a suggestion which was inspired particularly by the Council's proposals for obtaining compulsory purchase powers.
Others, conversely, feared that the Council's moves would only serve to deter companies from becoming involved in Shetland, with the loss of future prosperity through industrial development. Such was the strength of local distrust of their Council's proposals that, in the Local Government elections of May 1973, sitting Councillors arguing in support of those proposals, were summarily removed from office.

In fact, the new Council, with Ian Clark still at the helm, quickly revived their predecessors' proposals. They then approached Parliament with a Private Bill in order to acquire the powers for involvement with incoming industry that they desired. (The Zetland County Council had been advised to pursue a Private Bill, and not the alternative of a Provisional Order, which might have resulted in a much longer process.) The Bill's passage through Parliament was anything but smooth however, lasting 17 months, and throughout 1973 bitter arguments raged between Nordport and the Council, both determined to take control of the land at Sullom Voe.

**An Attempt to Control the Impact**

In seeking to obtain powers which would enable them to respond to the oil industry as they saw it, as an intrusion of temporary and limited significance to the Shetland community, requiring to be contained and controlled, the County Council faced a Government
wanting no obstacle placed in the way of the oil industry. Supporters of the Bill in Shetland castigated Central Government for its complacency and failure to act to control oil-related developments as a matter of central policy, or their implications. At least, they said, Shetland was trying to respond realistically to the demands of oil-related developments:

"It is almost pathetic that the Government, pinning its hopes on oil for the economic salvation of Scotland, seems to have left it to a relatively impoverished local authority to wrestle with the enormous problems the oil boom has created." (ST, August 1972)

At its very entry to Parliament, the Bill was required to undergo scrutiny in the form of a Public Inquiry before a House of Commons Select Committee. On hearing the Zetland County Council’s case, which in turn was rebuffed by its objectors (most notably Nordport, who stood to lose most), the Select Committee ruled against the County Council on the question of their obtaining Compulsory Purchase powers. This decision was eventually amended, to give the Council authority to compulsorily purchase land only in the immediate vicinity of Sullom Voe.

Although the Bill was initially framed to give the Council powers as a port and harbour authority, these powers were challenged and eventually curtailed. The companies had objected that these powers were unreasonably restrictive and that the
Council sought an unacceptable measure of power. They were supported in this by the Government who were concerned that industrial activity should not be restricted unduly. A compromise was therefore reached which acknowledged Shetland’s case, but which was sufficiently diluted not to infringe too extensively upon Company demands. (SIC, 1981, pp.25-30)

After considerable argument, the Zetland County Council Act was finally passed on 10th April 1974, with the following title:

"An Act to impose upon the County Council of Zetland duties of conservancy and development, and harbour duties, to enable the Council to exercise harbour jurisdiction and powers, including powers to construct works and to acquire lands; and for other purposes."

The powers conferred upon the Council by the Act were restricted to apply only to the period of oil-related developments. This disappointed many of the Act’s supporters in Shetland. They had seen this Act not just as a response to the demands of the oil industry, but as a means of safeguarding Shetland’s interests in the future against the demands of large-scale industrial development.

The Act had eventually been hastened on its way by the actions of Middle East oil producers to restrict export production, which resulted in a pressure on oil suppliers worldwide. Concerned about the security of Britain’s overseas suppliers, the Government acted
swiftly to increase domestic production, and in relation to the increasingly significant Shetland area passed the legislation which would clear the way for new on-shore developments and the construction of an oil terminal at Sullom Voe.

The following are some of the powers conferred on the Council under the 1974 Act:

1. power as a harbour authority to impose and administer charges on ships using harbour facilities in the Sullom Voe and Baltasound areas, and to control port development;
2. authority for the issuing of licenses for dredging and construction work within the coastal area and below the high-water line;
3. powers to invest in "Bodies Corporate";
4. control of conservation and development in the coastal area and around its harbours;
5. powers of compulsory purchase over land around Sullom Voe. The exercise of this power, the keystone of the Council's attempt to gain some measure of control over oil-related developments would, however, depend on Parliamentary approval;
6. power to "construct, purchase or contract for hire", vessels required by them (the Council) for carrying out their functions under this Act;
7. authority to create a Reserve fund, contributed to by the industrial companies, to be used for harbour purposes or for any other community interest which might be identified.

Of these powers, the most important in industrial terms have turned out to be those which gave to the Zetland County Council control of the key harbour areas, power of compulsory purchase around Sullom Voe, and the entitlement to invest in companies and to initiate construction programmes.
After re-organisation of local government in 1974 the Shetland Islands Council took over from the Zetland County Council, with Ian Clark as Chief Executive continuing to direct negotiations with incoming industry. In line with the provisions of the Act, the Islands Council formed the Zetland Finance Company to borrow money for the construction of an oil terminal at Sullom Voe - the companies at work off-shore were already directing their pipe-laying operations towards this site. Then the Council entered into an agreement with the oil companies engaged in off-shore operations to undertake joint administration of the proposed terminal. The Sullom Voe Association, which was formed for this purpose, comprised a £100 non-profit-making, limited liability company - 50 "A" shares in the hands of the Shetland Islands Council, 50 "B" shares for the companies of the Brent and Ninian pipeline groups. This association gave to both parties equal powers in their joint task, to control, supervise and generally organise the design, construction, operation, management and maintenance of the terminal. (SIC, 1981 pp.94-98) The Council then entered into a further agreement, of a sort unique in the UK's involvement with the oil industry, but one which displays quite well the attitude with which the Islanders' representatives regarded these new developments. The companies undertook to compensate the community for "disruption" or "disturbance" resulting from their operations,
to the tune of at least £28 million by the year 2000. Thus money would be used by the Council to re-dress damage to the environment or to community life in general. It was to be kept for the day when large-scale industry left the Islands, leaving behind what was seen as inevitable despoilation. Thus, by extending the parameters of Council action, the Shetland Islands Council sought to exact recompense from incoming companies for their involvement in the Islands.

In other ways, too, Zetland County Council and then the Shetland Islands Council attempted to protect the Islands from the effects of industrial activity, this temporary intrusion, as they saw it. In the economic sphere they sought to protect indigenous activities from the power of this incoming industry to dominate and ultimately undermine the Shetland economy. Their policy was explained in the 1977 Structure Plan prepared by the Islands Council:

"...assist the indigenous industries to maintain their position as the long-term base for the Shetland economy." (SIC, 1977 (b))

Among the measures introduced in an attempt to contain the impact of the oil industry was the offer of financial assistance to local businesses during the construction phase of incoming projects when pressure for labour would be at its highest, also the
preparation of plans to offset the effects of an eventual reduction in oil-related activities. In addition, the Council resolved to strengthen labour-intensive traditional industries - agriculture, fishing, fish-processing and knitwear - which were the mainstay of Island life, against the progressively weakening effects of growth in the high wage oil sector, by making representation to Central Government and other relevant bodies on matters concerning their continued well-being and future development. Here the Council have concentrated on putting forward the case for assistance in respect of freight charges to support the agriculture industry in this remote Island setting, and the imposition of fishing limits to favour Shetland fishermen. Alongside these efforts, the Council has sought to encourage the traditional industries to adopt improved methods of operation and to keep pace with innovations and changing conditions and, in the longer-term, encourage new activities for the post-oil era. (McNicoll, 1978)

The major incoming companies were approached and agreed to cooperate with the Council by adhering to a policy of wage parity, so that they would not be involved in offering wages which were much higher than local rates. They also promised to not indulge in the indiscriminate weaning away of labour from local firms. They would instead import labour which would reside in Shetland only for the
duration of a particular project.

The Council also carried this attitude into their housing policy, in that they resolved to gain maximum long-term advantage for the established community while seeking to minimise any short term disruption.

Like Easter Ross, Shetland was an isolated rural community, possessing none of the resources required by an incoming industrial workforce. Any adjustment of their housing programme to suit an increased population presented this local authority with particular difficulties, because the task of providing Council housing in Shetland is both a lengthier and a more costly matter than generally on the Scottish mainland. (2)

Faced with the prospect of a rapid increase in demand for accommodation at Sullom Voe, the centre of oil-related activities on the Islands, the Council distinguished at the outset between temporary construction workers and permanent operations staff. For the category of temporary workers they built two temporary villages at Toft and Firth near to the Sullom Voe site. One of these, Toft, was run for BP by a commercial catering company, the other by a joint Council-hotel chain undertaking. These villages were covered by planning permission for only a limited period, and it was stipulated that after use they should be removed and the area
returned to its original state. As company demand for construction workers at this remote site grew, the temporary village-type accommodation was supplemented by accommodation ships moored close to Sullom Voe.

In their classification and treatment of construction workers, the Shetland Islands Council therefore behaved very much as that of Ross and Cromarty, neither seeing in project construction anything other than a short-term necessity.

With regard to their policy on housing permanent workers, the Council decided on a policy of dispersal, so that housing would be distributed between four existing villages close to Sullom Voe. The intention was that Shetlanders should therefore benefit from the provision of new infrastructure facilities to support any longer-term population increase. (Geoghegan, op.cit. p.9) In fact, as Archer has pointed out, this was not a popular move locally. (Archer, 1976) Residents of the area favoured the construction of a New Town to contain the effects of expansion, an option ruled out by the Council in the belief that extension of existing communities offered the more 'natural' development. In the event, the strain upon existing communities has been great, made greater with the failure of infrastructure provision to keep pace with demands. Far from containing the disruption, it would appear that the disruption has been spread widely throughout the community surrounding Sullom.
Voe. (Hunter, 1978)

An indication of the scale of population increase which was anticipated for the Sullom Voe area is given below. (Table)

Table: Sullom Voe Area Oil Related Housing Developments

(As originally mooted in the 1974 Sullom Voe District Plan)

<table>
<thead>
<tr>
<th>Village</th>
<th>Voe</th>
<th>Brae</th>
<th>Moss Bank</th>
<th>Firth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>220</td>
<td>320</td>
<td>120</td>
<td>6</td>
</tr>
<tr>
<td>Estimated Annual Increase per year (families)</td>
<td>10 fam.</td>
<td>35 fam.</td>
<td>25 fam.</td>
<td>50 fam.</td>
</tr>
<tr>
<td>Estimated Houses built by 1980</td>
<td>50</td>
<td>175</td>
<td>125</td>
<td>200</td>
</tr>
<tr>
<td>Estimated Eventual No. Houses to be built</td>
<td>125</td>
<td>275</td>
<td>250</td>
<td>350</td>
</tr>
<tr>
<td>Estimated eventual population</td>
<td>600</td>
<td>1120-1220</td>
<td>800-900</td>
<td>1000+</td>
</tr>
</tbody>
</table>

*Average figure is not a true reflection of the phasing of development. 40 dwellings per year 1974/76; 20 per year thereafter.


Clearly, the villages affected by this expansion would be completely transformed - Firth, which had been experiencing a decline in recent years, most dramatically. As time has passed, it
has become evident that the oil community has tended to keep apart from the indigenous Shetland community, so that instead of one New Town existing, the Council predicted as an oil 'ghetto', four such ghettos have developed around Sullom Voe, totally dominating that area.

As in Ross and Cromarty, the SSHA were brought in to relieve the burden falling on the local authority for housing provision. SSHA houses were made available to key oil personnel first of all; then the Association turned to assist the Council in meeting its general needs programme which had suffered a serious setback during the critical peak of oil-related demands. Two smaller housing associations also made an attempt to relieve housing pressure on the Islands. (Geoghegan, op.cit. p.15) All faced the problem of a lack of available sites and construction costs far in excess of mainland rates which had only exacerbated the difficulties facing the Council on first encountering a rise in housing demand. Private builders and the larger companies also embarked on house building programmes (the companies in order to be sure of accommodation for key personnel) but the lion's share of permanent housing provision fell to the local Council. (3)

In spite of the Council's attempts to control the effects of involvement with the oil industry, the economic and social life of
Shetland were very much affected by the presence of this major industry. Indeed, we have in the impact of the economic force which is the oil industry upon this community some indication of what could have happened if the Council had made no effort to intervene as they did. This is not to minimise the significant gains which have been won by the Council in their negotiations with the oil industry.

We have seen in relation to housing provision an attempt to contain the impact of oil-related developments overwhelmed by the sheer scale of the demands posed by incoming industry. Similarly, Council hopes of protecting the established economy of the Islands have had to contend with the pressure of a build-up of industrial activity. The Council's hopes of isolating temporary oil work virtually to create two sectors, an oil-related sector to employ mainly incoming workers and, it was thought, a more stable traditional local sector employing a Shetland workforce, has proved unrealistic. In the early days of work at Sullom Voe the Council stipulated that Shetland people should be excluded from construction work at the terminal, in the expectation that they would be left without jobs at the end of the construction phase, and as a means of protecting local businesses. This rule was soon relaxed as Shetland people made it clear that they would not stand being denied an opportunity to gain from the high wage rate being
paid to construction workers. In his study of the Shetland economy, Iain McNicoll has shown that there has been an increasing commitment on the part of local businesses to oil-related work, while firms not linked with the oil industry have declined noticeably. Although the major oil companies gave undertakings not to 'pirate' workers from local trades, in practice spiralling wage rates in oil-related employment have affected the local labour market. The availability of overtime and bonuses in oil-related work has drawn many away from local businesses. (McNicoll, 1978) It is in the longer term that the effectiveness of Council intervention is more likely to be revealed, as revenue from oil-related activities is used to promote local industry in the post oil era, thus lessening the effects of dependence upon the oil industry. (Nicolson, op.cit.)

As land owners at Sullom Voe and under the terms of the 1974 Zetland County Council Act, the Council has found itself in a position of some strength in negotiating with incoming firms. As port and harbour authority the Shetland Islands Council is entitled to harbour dues from tankers using the terminal. The Council has also negotiated to receive payment on all oil proceeding through the jetties which it has constructed, for payment of rent and rates by companies working at Sullom Voe and through its involvement in the Firth workcamp it can expect further financial rewards. As a 50%
shareholder in the Sullom Voe Association the Council has the power of veto over decisions affecting the construction and operation of the terminal. This is a power which it has consolidated by insisting on common usage of the terminal by the different oil companies involved. The arrangement requires of companies that they present a concerted face in their negotiations with the Council. As a result, divisions between companies have been exposed, and the industry has often found itself in a position of weakness during negotiations over the running of the terminal.

In the short term, the revenues accruing to the Council, whether through the operating of the terminal or in the form of disruption payments, seem to be insignificant when compared with the capital outlay required of the Council. (It has been suggested that while £28m. will be paid to the Council for disturbance and compensation by the year 2000, that the Council will pay out £100m. in the same period for capital items, such as harbour and jetty facilities, housing, roads and other services. (Power, op.cit) Indeed, the Council's cooperation as partners with the oil industry in the running of Sullom Voe has grown increasingly unpopular in Shetland, as the capital expenditure involved has strained local finances. (Sm, 24.1.78) Ian Clark as orchestrator of the Council's actions has resisted every demand for public disclosure of the precise agreements entered into by the Council, pleading
commercial confidentiality, and insisting that the Islands will benefit in the long run despite the short terms costs, and while there have been signs that there is a concessionary limit beyond which the companies will not go, for instance, the precise configuration of facilities at the Sullom Voe terminal, it does appear that the Council has secured for itself a significant role in influencing the industry's long term impact on Shetland.

Surprise has been expressed (ST, 7.7.78) at Central Government's willingness to allow the Council to proceed in this manner, demanding recompense from the companies, especially in light of its own initiatives in other areas to provide the most favourable of conditions for the oil industry, and supporting its generally laissez faire approach through its involvement in the planning process. It has to be said, however, that although committed to straining companies' room for manoeuvre to the limit, the Council has been careful not to exceed that limit so as to be actually obstructive to oil-related developments. In fact, in accepting the inevitability of the oil industry's presence in Shetland, the Council has rather gone 'with' the tide of industrial development, seeking at every opportunity to win maximum local advantage. However, as Power has suggested, it is likely that the Government in their haste to see oil-related developments take shape did not anticipate the shrewd, hard-headed manner in which
the Shetland Islands Council would apply the powers granted to it under the 1974 Act. (Power, op.cit) The appointment of Ian Clark, the architect of this Council's response, subsequently to the Board of the British National Oil Corporation, then as Managing Director of Britoil, where he directs the State's involvement in the oil industry suggests that Central Government has indeed come to appreciate the merits of this community's interaction with the industry.

Lessons for Ross and Cromarty

Shetland experienced many of the strains felt by Easter Ross and other communities under the impact of oil-related developments in addition to those mentioned above. Alongside that measure of control which the Shetland Islands Council was able to impose upon developments at Sullom Voe, there arrived a proliferation of service supply activities between 1972 and 1974 at various points on the Islands, resulting in an unprecedented and unanticipated demand for infrastructure provision. Such, as we have seen, is the common experience for greenfield sites involved in the build-up of oil-related activities.

Where Shetland differed from the other communities we have considered is in the local authority's decision to intervene so as to mitigate the effects of oil-related developments. Having
accepted the arrival of oil as an inevitability, the Council then worked out the response which was believed to hold greatest long term benefit for the Islands. The critical assessment of the social and economic impact of oil which underpinned Shetland's response has sprung from a strong sense of local identity (with an aggressive resistance to domination by mainstream Scottish culture) and a historically-rooted perception of a possible separation of interests in interaction with the wider economy. With the additional self-confidence that came from a period of buoyancy within the local economy, the Islands' Council, as we have seen, engaged with industry, using the area's attractiveness to incoming firms, as a bargaining counter to gain maximum local advantage.

In Easter Ross, a view of the area as pre-industrial requiring the introduction of large-scale industry as a force for modernisation led to total and unquestioning identification on the part of the local Council with the interests of industry. From this perspective, the effects of large-scale industrial development were seen as the price of progress, to be accepted in accommodating industry's demands. No interference on the part of the Council to moderate those effects was possible, for this might have led to the loss of industry and all its attendant benefits.

Shetland's experience has shown that it is possible to engage with incoming industry, dictating certain terms for its
involvement in an area, beyond the imposition of a range of conditions after the decision has been taken to approve a project. Certainly, Shetland enjoyed particular advantages, in that it offered the only viable site for the construction of a new oil terminal required by the companies working off the Islands' coast. Given this situation the Council could approach their negotiations with incoming firms confidently. Yet when faced with an approach for platform construction in the west of the County, at Kishorn, Ross and Cromarty responded in a very different fashion from the uncritical welcome given to industry at Easter Ross (see Chapter 4). The ideological perspective of the promotion of industrial development did not apply there: the proposals from Howard Doris for the construction of concrete platforms did not fall within a long-term strategy for industrialisation. They were classed by Ross and Cromarty County Council as an isolated and temporary intrusion and treated accordingly (although concrete construction activities were commonly expected to outlast the construction of steel platforms (Mackay & Trimble, 1975)). The difference in the Council's response to those two sets of proposals, at Kishorn and Easter Ross, is thus to be explained in terms of the ideological context surrounding events in Easter Ross as, ultimately, is the difference between the responses to industrial activity in Easter Ross and Shetland.
It was argued in Easter Ross that an unequivocal welcome was required to ensure industrial development. Convinced of its areas's attractiveness to the oil industry, the Shetland Islands Council intervened in order to make some gains for the local community. From their different attitude to industry Ross and Cromarty County Council felt unable to make any such intervention, despite the fact that representatives of a series of firms had indicated that their chosen site in Easter Ross was the only viable location for their operations. The Council sought neither to question those claims nor to question the effect of any project upon the local community lest to do so would deter companies from proceeding with their plans.

In the end, we have a situation in which the market has prevailed. An extensive network of oil-related developments has been established in Shetland, where the local authority has been successful in moderating the industry's impact on the local community. Meanwhile, despite all Ross and Cromarty County Council's efforts at encouragement, only one platform construction business and a pipe-coating operation are established at Easter Ross, both of those clearly vulnerable to changing market conditions. As a result the surrounding community, now highly dependent upon their major employers, is itself rendered most vulnerable to market forces.
If we are to conclude that adoption of a more critical perspective by Ross and Cromarty County Council, on both industrial activity and the area's history within the wider economy, would lead to a more appropriate, and still viable, response to large-scale industrial development, what would this alternative response involve?

It would involve the local planning authority in exercising its powers to ensure a more orderly pattern of economic growth, to moderate the demands of incoming industry upon established local activities and to favour those incoming activities which show greatest likelihood of integration within, as opposed to domination of, the local economy, and to require of incoming firms that they should contribute at least to the capital costs arising for the local authority from their involvement in the area.

The problems which Ross and Cromarty County Council encountered in responding to the arrival of oil-related developments were only compounded by the equally laissez-faire approach adopted by Central Government. A local authority finding itself involved with an industry as significant nationally as oil was said to be, should be able to expect clear guidance and support from Central Government in organising their response (and not rely on piecemeal indications of national policy), backed up by financial support to offset the costs incurred locally by the
demands of accommodating such developments.

Had a more of critical approach been adopted, the costs, in a broad sense, of Easter Ross's involvement with oil might have been much reduced. As it is, we have a community dominated by industrial uncertainty and dependent upon the forces of a volative market, which has shown the Highland area few favours in the past.
CHAPTER SIX
CONCLUSIONS

Thus far we have seen how Ross and Cromarty County Council's response to the arrival of large-scale industry, and oil-related developments specifically, reflected the place given to industry within Council development ideology. That response was characterised, it was said, by an attitude of accommodation - reflecting the Council's desire to cater uncritically for the requirements of incoming industry, even in advance of needs, to enhance the area's attractiveness as a location for industrial investment. The result, as we saw, was for incoming firms to bring about far-reaching changes in the social and economic fabric of the community in Easter Ross - unrestrained by Council action.

In their role as planning and housing authority the County Council possessed powers to influence the course and impact of industrial development in important ways. By choosing to direct these powers to serve their industrial promotion role, and in letting industrial interests prevail, they failed to represent the interests of the Ross Shire community against the demands of incoming industry. This was because, basically, Ross and Cromarty County Council believed that serving industry's needs would be inevitably to the benefit of the community. The lesson of earlier chapters has been to demonstrate the fallacy of this belief, and in showing the mismatch between Council expectations and industrial reality to point to the independence of industrial interests from those of the host community. In the situation affecting Easter Ross, particularly with the arrival of oil-related developments, we find a variety of interests involved - the interests of the national economy and Central Government in promoting this strategically important industry and the interests of multi-national
capital as represented by the oil companies. By identifying uncritically with the interests of industrial development Ross and Cromarty County Council acted as if naive of the pressures imposed by the political and economic forces amidst which they were set.

On the arrival of oil-related developments these communities, and others we have mentioned in the north-east of Scotland, found themselves occupying a key role in relation to the development of a volatile, strategically important industry, embodying the interests of the international oil industry and its backers and national and international politics. The question facing Councillors in Ross Shire and Shetland was not whether to accept the industry before them, therefore, but how to respond to its demands upon their local community.

This is where Shetland's response differs from that of Ross and Cromarty, for we find in Shetland an attempt from a contrasting ideological point of view to withstand the pressures of 'the national interest' and of multi-national industry to represent local interests forcefully in negotiations with incoming industry. At the end of the last Chapter it was suggested that Shetland's actions represented no very radical response, in that it did not involve any real critique of the political and economic structures behind the industry; rather, this was an attempt to ameliorate the consequences of the Islands' involvement with large-scale industry. In Ross Shire there was no such attempt to intervene even to affect the local impact of industrial development, lest prospective investors should be discouraged. From their particular ideological perspective, Ross Shire's Councillors could conceive of no conflict of interest between industry and community.

It will be worthwhile now to consider the forces and the motivation behind the industrial events affecting these Scottish communities, to see more clearly what it was that local authorities were dealing with,
in the oil industry, and to appreciate more fully the significance of their different responses to the pressures facing them. This we shall do by drawing on contributions from a number of writers who have discussed analogous situations, including Doreen Massey's work on changes in Britain's industrial geography\(^{(1)}\). (As throughout the thesis, we shall concentrate on Ross and Cromarty's experience, referring to that of Shetland towards the end of the Chapter.)

**Industrial Development in Capitalist Society**

In seeking to carry forward their development ambitions, Ross and Cromarty County Council had to contend with factors in the wider economy affecting decision making in industry over production, investment, etc. The idea that there is a pool of foot-loose industries which may be attracted by the offer of certain incentives was demonstrated in Easter Ross not to be generally applicable. While the location decisions of some firms may be partly attributable to the provision of such inducements, this is clearly not the whole story. Indeed evidence suggests (see, for instance Alexander, 1965 a) that regional assistance may be no more than marginally effective in bringing certain unlikely locations into the range of possibilities for investment purposes. It is to the forces of capitalist society that we must look for insights into the principles of industrial organisation, for within a society which has capitalism as its dominant mode of production the processes of production and accumulation will be organised accordingly. We have seen that the Highlands of Scotland, far from existing in some pre-capitalist state, are firmly integrated in capitalist society. Thus if we are to understand what was happening in the Highlands during the period of our study, in terms of industrial location decisions, it is to the dynamic behind them that we must look. This is where Massey's analysis is most helpful. (C.f. Massey, 1979, 1984.)
She offers a framework for understanding geographical patterns of employment and industrial organisation in terms of the principles of capitalist society, and for relating events within the local economy to the wider context in which they are set. A central theme in her argument, which is of vital significance to us, is that "uneven development" (or differences in patterns of employment or industrial activity between regions) is a natural phenomenon in a capitalist economy, produced by the inevitable tension between capital and labour worked out over space. The 'Highland Problem' of earlier chapters is therefore the result of its involvement with capitalism, and is open to reinforcement for particular reasons arising from the processes of capitalist production. (See also Morgan and Sayer, 1981.)

Also central to Massey’s analysis is the tension between labour and capital over attempts by capital to minimise production costs and raise profitability – which it does through rationalisation of the production process, mechanisation, using unorganised workers or traditionally low-paid groups, etc. Geography is a vital element in this struggle, says Massey, because capital is in general more mobile than labour. This gives capital considerable power, for the production process can be broken down and unskilled work displaced to areas of unskilled, low-paid workers, where the prospect of a job is welcomed by an unorganised workforce. Even the threat of relocation can be a powerful bargaining tool at times of growing national unemployment. At other times capital can adapt to changing political conditions or the availability of new technology to capitalise upon the resources belonging to particular locations. Thus geography is the canvas over which the processes of production and accumulation take place.

Changes in the geographical pattern of employment and industrial
activity are therefore to be understood as a reflection, not of imbalance in market relations within or between sectors of the economy, but of purposeful actions regarding investment and production on the part of industry. They are also to be seen as a reflection of the geographical organisation of the social relations of capitalist activity. As Anderson et al have suggested, by way of conceptualisation, "it is more illuminating to think of the 'uneven development of social processes'" than to perceive the spatial processes of capitalist development such as plant location, in isolation from the social processes involving relations of power and control of which they are the outcome. (Anderson et al, 1982.)

By isolating out the dynamics of capitalist production in this way we are able to appreciate better some of the pressures at work in Easter Ross, of which the County Council working from their perspective of industry as an unambiguous modernising force seemed unaware. It was the coincidence of a number of factors — action by OPEC countries, the state of the British balance of trade, technological innovation in exploration techniques, etc., — that established firstly the viability of the North Sea oil field, and subsequently nearby sites as onshore bases for supportive processing supply and construction work. The fact that in Easter Ross the industry found a particularly amenable Council seeking to cater for its every demand was a bonus. In any case, as the UK government demonstrated in curtailing Shetland's aggression, there was a limit to the resistance which any local authority could have presented to the course of industrial expansion. The response given to the industry in Easter Ross might have proved decisive in influencing industrial location decisions if there had been a neighbouring local authority with comparable sites competing to attract these firms.
Ross and Cromarty County Council believed that companies might have been diverted to alternative locations, the threat offered in successive applications for planning permission. This led them to acquiesce before every demand put to them by industry, thereby granting incoming firms power to take control over prime areas of development land and to determine its use. Yet the point missed by Ross Shire's County Councillors was that they possessed the sites said by industry to be essential to their operations, something industry wanted to buy. They might have taken greater courage from this, as Shetlanders did, to impose certain stronger controls over the firms' access to land in Easter Ross.

The attractiveness of Easter Ross to industry derived from the current state and requirements of capitalist production. The uncertainty which characterised that period in the early 1970s when the County Council received a series of planning applications, many of them ultimately abortive, reflected movements within the industry itself, for the pace of developments in Easter Ross and elsewhere was set not by local authority action or local conditions but by the exigencies of international capital. Morgan and Sayer have described the mismatch which can result between local expectations and industrial reality - a description which can be applied readily to Easter Ross:

"..... although new industries may start up, there is no mechanism in a capitalist economy to ensure that they come in the right amounts and at the times and places where they are most needed.......... Moreover, the fragmented nature of a capitalist economy, with a multitude of separately owned and controlled firms each making its own individual plans, also means that disproportionalities between sectors of production are the norm rather than the exception."

(Morgan and Sayer, op cit.)

We are made conscious here of the practical irrelevance of local interests in the scenario affecting the Highlands as a whole series of calculations and competitive gambles were worked out by capital. The
discovery of North Sea Oil resources may well have been ascribed to
providence as the means of revitalising the Highland economy, but the
real significance of oil for the Highlands would always be filtered
through company deals and operations. Thus the Highland people and
their Councillors found themselves in a scenario of uncertainty and
eventual disappointment created by the forces of capitalist develop-
ment. Councillors could see no contradiction between the interests
of their community and those forces. But in the failure of local
aspirations we see the area of conflict, as decisions not to develop
options already taken out in the area, to not build a refinery, a
petro-chemicals plant, were taken to serve industrial/commercial
considerations. By seeking to comply so uncritically with industrial
demands, the Council only underlined their area's vulnerability before
the forces of industrial development.

Certain questions arise for our understanding of the 'regional pro-
blem' and for government intervention in the form of regional policy,
also for the development philosophy underlying County Council action.
We have already suggested that the 'Highland Problem' is in fact the
product of the capitalist economy. By attributing regional inequality
to the requirements of internationally competitive and profitable
production (Massey, 1979), problems affecting particular localities
are seen, not as evidence of disadvantages endemic to the area mili-
tating against engagement in wider capitalist society, but as "parti-
cular manifestations of general problems - problems of the way the
economic system operates". (Community Development Project, 1977.) A
deeper question arises, however, and this is whether regional inequality
may in fact be positively useful to capital engaged in the pursuit of
profit. (Massey, op cit.) Might not the characteristics of so-called
'problem regions' -
a pool of unemployment, low wages and lack of militancy, etc. — be attractive to capital looking to reduce labour costs and actually serve the interests of production? And if spatial inequality is inherent in the production processes of capitalist society, "the necessary result of competitive interaction" (Lee, 1977, p 23), how does this rebound on regional policy motives and priorities? Would intervention aimed at resolving the 'Highland Problem' not run in contradiction to capitalist development and present capitalist society with fundamental political choices?

In looking at the recent industrial experience of Ireland, Perrons makes the point that the very features which are summed up in the term 'peripherality' may be what establishes an area's attractiveness to industry. The existence of a pool of low-wage, inexperienced workers, plus ample sites from which to choose, a stable and welcoming political system and a range of financial inducements all serve the extension into the area of certain low-skill, low-paid production tasks. Decentralisation was thus both possible and desirable for "technical" (to do with features of the production process) and political reasons. The types of industry coming into Ireland have been the production branches of foreign light manufacturing industries involving decentralised units of production and a high degree of fragmentation (characteristic of light electronic and light engineering industries). (Perrons 1981.)

Perrons demonstrates how the pattern of industrial location in Ireland reflects the exigencies of international capitalism rather than the influence of regional policy mechanisms (which are significant in marginal cases), with the production process being organised across regional boundaries, resulting in an international division of labour, control over investment, decision-making, etc. being retained at the centre, and production tasks being sited in favourable locations. 'Favourable' in this sense has to do with labour and production costs
locational characteristics, etc. The result is that regional economies are effectively dominated by the relations and processes of capitalist production.

Perrons' analysis is directly applicable to the Scottish Highlands in their involvement with the oil industry, and particularly Easter Ross. The industry selected this area because it judged it to serve its purposes. Certain features of the Highlands' peripherality made it particularly amenable to companies' requirements. Various firms described the appeal of an inexperienced industrial workforce with no union involvement which would accept without complaint the rigours of working in new areas of industrial technology. They could set the terms for wage rates and working conditions in the area right from the beginning. At a time when industrial interest in Easter Ross was building up, the earliest companies could stake their claim to the best sites so, they said, to 'dominate' the course of future industrial activity. To these add a rather lax attitude to questions of environmental impact (a very sensitive issue in industrial processing and particularly in the petro-chemical industry) and you have an attractive package to certain forms of industry. While international light engineering firms dispatched certain production operations to Ireland, the oil business, although not amenable to such fine breakdown of tasks, involved itself in the Scottish Highlands only in those operations that had to take place there - platform construction and pipe-coating, plus some supply activities. Although firms took out options on petro-chemicals activities (Grampian Chemicals) and a refinery, in neither case was it clear that they intended to go beyond basic processing activities there - with downstream work to be located elsewhere. As we have seen, however, neither firm took up their option, so we are left to speculate at what might have occurred.
Domination by foreign owned firms responding to the pressures of international competition and characteristically organised in terms of intra-firm linkages with the functions of control retained at central level poses certain important consequences for the Irish economy. There has been a low level of value added to the economy, few linkages with local businesses, and in the absence of research and development work locally the economy has become dependent on imported technology with few skills being developed within Ireland. The result is that the economy is left particularly vulnerable to the forces of international competition with which the firms dominating the area identify. As Perrons has put it, the future operations of these firms,

"...... depends on their role in the overall companies structure and that companies position within the international division of labour and not purely on local conditions within Ireland."

A similar pattern and consequence emerged in Easter Ross's involvement with the oil industry. Dominated by the exigencies of developments within their industry both the range and degree of industrial activity have been seen to respond to forces outwith the area - despite the best efforts of planners, councillors and politicians to see their activities consolidated. The vulnerability of these developments and therefore of the Easter Ross economy to changes affecting the industry places a question mark over the long term viability of those operations which have become established in the area. And, as Perrons has observed, the irony is that these features of industrial development,

"derive ...... from the nature of capitalist development itself which this strategy (regional policy) aims to promote." (ibid, p 95.)

In no sense, therefore, can industry be regarded as doing any favours for these locations. Rather the nature and extent of new firms' involvement with such areas will reflect the interests of capital. Important consequences follow for the social and economic structure of
the host community, both in the short- and the long-term, and if local authorities do not recognise this and seek to respond on behalf of the local community to influence these consequences, their community will be left vulnerable to total domination by the requirements of capitalist production. This is basically what happened in Easter Ross as a result of the Council’s belief that the absence of industrial activity throughout the Highlands reflected local inadequacies rather than the result of specific decisions on the part of capital.

Land and Capital

The ability of capital to dominate the economy of Easter Ross and the resulting social formation was demonstrated most forcefully in the buying and selling of prime stretches of development land. As we saw, a series of private transactions took place between local farmers and incoming industry, and subsequently between different companies, about which Councillors knew nothing until they were faced with planning applications relating to the use to which the land might be put.

This situation was exacerbated by the particular role chosen for planning in Easter Ross. Having taken the policy decision that industrial development was to be welcomed per se, the Council effectively conceded vital land use issues to be decided by purchase. Companies buying land in Easter Ross could argue in support of their planning applications that their site's validity as a location for industrial development was demonstrated by their having bought it. In their concern to use the planning machinery positively to bring about industrial development, this argument was sufficient for the Council. We saw the point made repeatedly by Council representatives at public inquiries that particular stretches of land were suitable for industrial use on the basis that they had been bought for this purpose. The possibility of directing companies
towards sites of lesser agricultural value where they could still draw on the same locational advantages of deep water, good communications, etc, was discussed by companies who insisted that they would only develop their chosen site. In this situation, neither questions about land use considerations (environmental, social, agricultural issues, etc) nor about the appropriateness of the specific industry before them in the longer term were treated by the Council as being in any way significant. Ultimately, as we saw, the buying up of land by industry and its subsequent zoning for industrial use were put forward as justification for expanding Council housing provision and as the basis for estimates about future community size - despite concern expressed about the likelihood of industrial sites being developed as their buyers promised, or at all.

It was said by the Council that consideration of the issues which make for a balanced community would be all right in an ideal world, but they had to compromise the ideal tenets of planning if they were to be successful in their aim of seeing an industrial base established in Caster Ross. This, they agreed, was to give the initiative to industry, but so be it. What the Council's actions ignore, however, is the significance of land itself to the processes of capitalist production, and the fact that land deals emerging from those processes may hold conflicting consequences for the community involved. (This point has close parallels with the discussion of the previous section.)

Under a system of private landownership such as we have here, land occupies a central place in relation to the production process. The significance of land has been described by Massey and Catalano (1978) as resulting not from any function it serves, but from the fact that it is a privately-owned, non-reproducible condition of existence for capital. This has consequences for the social formation in capitalist society, as
monopoly can be held over areas of land, access to which is conferred through the charging of rent. Landownership, therefore, confers great power — and its effects are seen in the processes of accumulation in capitalist society in terms of the organisation of distribution and production. Land deals between private landowners are integral to these processes and will reflect calculations over the benefit to the sectors of capital involved of gaining or retaining outright control over the land in question.

Although it can work effectively on land it rents, manufacturing industry generally tends to own the land it uses. The reasons offered for this are usually to do with the security provided by ownership when large plant is involved. Indeed this was the argument put forward at Nigg when long-term leases of land were offered on ground required for the refinery. Generally speaking, however, firms will make a pragmatic decision in any given situation as to whether to buy or rent, weighing up the relative advantages in terms of the particular enterprise — its likely duration, the plant involved, the cost of the land, or whether perhaps there are outstanding local features over which it wants to have outright ownership and control.

In Easter Ross, with the notable exception of M K Shand’s operation at Invergordon, the preferred option was ownership of the land. Various reasons can be put forward why this should have been so. For firms with a real intention of working in the area, renting would have offered a reasonable prospect, as long as security of tenure was guaranteed. For companies wishing to stake a claim in the area, to be in a position to develop their option if market conditions were favourable, an arrangement involving some sort of option contract followed by rent or ownership of the land would have been sufficient. For those companies wishing specifically to be in the position of capitalising upon the investment
value of land in Easter Ross at this time of rising land prices ownership would, however, be required. Ownership of prime sites, their value enhanced by industrial zoning, offers a most attractive speculative investment. And it was to such enterprises that the laissez-faire attitude of Ross and Cromarty County Council left this area most vulnerable. Consider the arguments put forward by Grampian Chemicals in justifying their ownership of what was agreed to be the best site in the area, and having it zoned - they wanted to be in a position to 'dominate' the area, to be at the centre of future developments so as to have a controlling role over them. They wanted the power that would be conferred by owning this prime area of development land ready-zoned for industry - to develop it if they could attract financial backing for a project or to cash in on their investment if not.

The result is history, and, as we saw in earlier chapters, this land and other areas around the Cromarty Firth changed hands rapidly as a capital asset with successive financial institutions seeking to realise on their investment. Ultimately, the sums involved ruled them out for industrial development, and it is now said within the area that the only people to benefit from the protracted series of land deals worked out in Easter Ross were those farmers who were successful in selling their land to industry and the property companies who arrived in the area at the time of greatest excitement.

In this situation, in which control over vital stretches of land, and with it control over the processes of production in the area passed into the hands of firms whose plans were at least uncertain, certain consequences followed for the local community. Important areas of land were bought into industrial control with or without precise plans for their development, then the Council were asked to approve their transition to
industrial use as being generally in line with policy. Not only did the people of Easter Ross therefore have to await the outcome of company calculations regarding the development of particular sites, but control over the development of local natural resources was to be exercised outwith the scope of public comment, save for the imposition of certain conditions over its consequences. Thus again we are made conscious of how completely this area found itself dominated by the forces and structures of capitalist production, this time with private landownership and land deals as the vehicle.

The suggestion that land deals between private landowners can conflict with the interests of the community at large is not new. Indeed recognition of the need for the state to represent land use considerations on behalf of the community in the spatial pattern formed by market transactions lies at the root of British planning legislation.

As Massey and Catalano explain in detail (op cit) there have been various attempts through the years to intervene in the pattern of land use resulting from market deals, also the appropriation of land values by individuals or private enterprise. The Report of the Uthwatt Committee (formed in 1941), the Planning Acts of 1942 and 1947 and most recently, the Community Land Act (1975) and Development Land Tax (1976) were all intended to intervene in the power of, particularly financial, capital to "cash in" on the development value of land and dictate the balance of production throughout the economy.

The most recent of these, the Community Land Act and Development Land Tax, lacked political support and were swiftly repealed, but they offered a means of responding to the sort of situation created by land deals in Easter Ross. Based on the taking of development land into public control and the public appropriation of increases in land values,
they challenged local authorities to engage in coherent planning of land use, instead of the restrictive sort of planning which had characterised their activities hitherto - responding only to control the effects of spatial changes resulting from deals between private landowners - and the power to do so through legislation enabling them to buy at current use value rather than the market price.

While financial institutions, (property companies, insurance companies, etc) were severely inhibited through this legislation, in that ownership of development land was at the crux of their activities, manufacturing industry which did not require to own its land could proceed with its activities on leasehold. Land covered by local planning provisions (Development Plans and Structure Plans) was designated as development land, and as such available to the local authority to bring under direct control.

As it was, Ross and Cromarty County Council were unconcerned about the ability of private capital to dominate social and economic relations in Easter Ross, or about any possible conflict of interests on the question of land use between the community as a whole and private individuals or companies. But the formulation of cohesive local plans governing land use need not have conflicted with the development of an industrial base in the area, as they supposed. Intervention along these lines need not have presented any fundamental obstacle to incoming industry. Companies with genuine proposals would have had to contend with a planning authority more concerned to put forward competing land use considerations, so that they might have had to modify their plans. On the other hand, they might have escaped paying inflated prices for access to the land they wanted. Clearly, terms would have had to be negotiated between Council and specific firms to justify capital investment on the part of the industry and the desire for security. For those companies, however, wanting to own land
as a hedge against the future, as speculative investment, such intervention would have been unacceptable, which would have been to the community's benefit.

**Industrial Development and Housing**

As much as in planning, the independence of industrial decision-making from Council action was demonstrated in earlier chapters in our discussion of housing policy. There we saw the futility of Council attempts to bring about a particular community structure through its provision of certain types of housing. Despite their best efforts to anticipate the needs of an industrial workforce and to build for a stable industrial future in Easter Ross, industry proceeded on its course, responsive, above all, to the profit motive.

The situation in which state housing is most clearly organised to serve the needs of the working population, hence of industry, is that involving housing specifically to cater for industrial expansion.

(Another example drawn from history would be the move in wartime Britain to provide housing for the labour force required by the war effort.) But, as we have seen, the state's role in providing housing for the labour required by industry is, even in this situation, far from unproblematical.

The inadequacy of a functionalist explanation of state action is already apparent from our study of Easter Ross. From Pickvance's work in relation to social housing in France we also have a warning to not over-simplify the part played by the state in providing for the labour needs of industry (the reproduction of labour). It would be wrong, she says, to attribute to the state the capacity to interpret and to cater for the needs of industry in terms of the relative value of particular types of labour, future labour requirements, etc, with any great accuracy. Definition of essential categories of workers or calculations of future labour requirements cannot be read off simply from some list of operations. These are the outcome of the ongoing rationalisation and reorganisation of
capital and the tension within industry between capital and labour. Thus although the state might seek to anticipate and provide for the needs of industry, as occurred in Easter Ross, and although it might come closest to achieving this at times of industrial expansion (when the issues in terms of labour requirements, the level of housing shortage, etc, are clearest), its success in doing so is dictated by the outcome of decisions over job-definition, production requirements, labour demands, etc, (Pickvance, 1980). A similar point is made by Harloe (Harloe, 1981) who accounts for the tendency of state housing to be directed towards the economically active in terms of their strength and ability to pay, reflecting their place in the production process as conferred by capital.

It is therefore possible to understand more fully the practical constraints facing a Council such as that in Ross Shire in seeking to build an industrial community in their area through the provision of housing for industrial needs. No matter how much the Council might have wanted to influence the course of industrial development through the offer of housing as an inducement, industry, in responding primarily to the need to create a surplus, will only coincide with Council ambitions when it is judged to be profitable. Attempts to create a stable industrial community through building for family men, and to avoid the shiftless single workers with no long-term future in the area, were all superceded by the actual requirements of industry. And as projects put forward as justification for planning provision, and hence for increased building programmes, failed to come about, Ross and Cromarty County Council's housing plans turned out to be quite inappropriate.

The Role of the State - Central Government

In her book, "The Spatial Divisions of Labour", (1984) Doreen Massey ascribes to the state, local and national, a conservative role, providing
ideological and political support for the interests of capital and the social organisation which they produce. This is because the relations of power and class within capitalist society are themselves part of that process. Successive governments have demonstrated their inability to "step outside the system", to challenge the motive which drives and structures it, to challenge the political dominance of capital. Even Labour Governments, which might have been expected to adopt a more critical posture, have accepted and worked within the authority of capital. They have concerned themselves instead with ameliorating the consequences of capital processes (largely through social policy), and intervention to extend the margins of capital choice, such as we have seen in regional policy. This description of the state's activities serves aptly to describe the response of successive governments to the development of the off-shore oil industry.

A vital factor behind Ross and Cromarty County Council's response to the arrival of oil-related developments was the concern expressed by Central Government that no obstacle should stand in the way of progress in the oil industry - that the conditions should be provided on- and off-shore for the speedy development of Britain's oil resources, "in the national interest". This provided solid support and justification for actions which the Council were inclined to take on their own part. Also government pressure added to the strain felt by Highland local authorities in coping with rising industrial demands.

The identification of Central Government with the interests of the oil industry has been observed by others also, as has been the laissez-faire environment enjoyed by the industry as a result. Extensive reference has already been made to Mackay and MacKay's discussion of the political economy of North Sea oil (op cit), which examines the Government's role, mainly in terms of the formulation of economic policy. Further insight
is offered into the attitude of Central Government to activities affecting
the oil industry, however, by Kit Carson, who examines its role in the
oversight of safety standards within the industry (Carson, 1984) and by

In "The Other Price of Britain's Oil", Carson describes the subordinating of safety considerations to the need expressed by off-shore operations to ensure optimal production targets. There are many parallels between Carson's study of industrial safety in the off-shore industry and the discussion which took place in Easter Ross of environmental and land use considerations during public inquiries. Company arguments, based on the uniqueness of North Sea operations, that safety standards imposed in similar work elsewhere could not be expected to apply here, were accepted by UK Government Departments, thereby justifying unusually high accident levels. This was so despite the fact, says Carson, that the operations involved could be matched in many industries where rigorous safety standards are imposed. Oil companies were spared worker resistance on this point by their practice of prescribing union involvement off-shore, plus the payment of high wage rates, which meant that they had a fairly quiescent workforce willing to accept hostile and dangerous working conditions for the financial rewards.

In time (Carson, pp 290 - 291) safety issues were formally subordinated to production considerations. Responsibility for off-shore safety was given to the Department of Energy to be treated as an energy production matter, rather than to the Health and Safety Executive as a question simply of industrial safety. This shift has its parallel in Easter Ross in the discussion of planning "in the real world" which we covered in earlier chapters, in which it was claimed that, all things being equal, environmental or land use considerations would have ruled out the options posed by current industrial interest in the area, but such was the case
for encouraging oil-related developments that reference to standards should be waived.

Carson demonstrates how Central Government identification (for national and international political-economic considerations) with company ideology regarding the need for the speediest possible development of off-shore resources not only resulted in otherwise unacceptable levels of safety being treated as acceptable; it also saw the initiative given to the industry, through its possession of the knowledge, the technology and the resources, to dictate the course of off-shore developments. This in turn helped create a situation in which the UK Government found itself dependent upon the decisions of the oil industry to see its policies, in terms of the exploitation of off-shore resources, carried out.

Carson has demonstrated how the weakness of the British Government's position was exposed during negotiations with the oil companies. The power and freedom which they enjoyed in their off-shore operations and the Government's deference to the industry are, in effect, opposite sides of the same coin. As Carson observed:

"While they may genuinely seek to secure better guarantees of public interest they (the British Government) cannot pursue this objective with a degree of resolution that might risk alienation of the companies." (op. cit.)

The willingness of Central Government to identify with company desires for speed of development as a means to gaining a quick injection of revenue is described by Robertson (1984) - as is the point made by Carson that the requirement of speed on the part of the industry is itself dictated by the demands of international competition, not by any factor peculiar to the North Sea.

Companies' power to dictate conditions for their involvement in the area is described also by Wybrow (1984), who likens their immunity from the requirement to meet normal industrial standards in terms of safety, etc, to that of a "Freemasonry of the North Sea":
"Freemasons protest that their rituals are a private concern and to expose them is unwarranted intrusion. Likewise, oil companies protest that their off-shore health and safety records and procedures are a private concern and to expose them is an unwarranted intrusion." (Wybrow, 1984, p 131)

Identification with the interests of the oil industry to the degree shown by the UK Government, and the resulting dependence upon company-directed decisions reaches its nadir in companies' ability to withdraw from the North Sea when conditions prove unfavourable, meaning unprofitable, and to determine the course of off-shore developments. For, truly, the state has come to depend upon their continued operation and the revenue which derives from the North Sea. The imposition of moderate taxation rates was further indication of Central Government concern to provide favourable conditions for the industry. Carson has likened the situation to that of the industrial revolution and resistance on the part of capital to regulation over employment conditions, etc:

"In that era as in the present, there were immutable laws of capital which rendered it 'imperative' that regulation should be minimised. Then, as now, it was constantly threatened that capital would flee if subjected to any more constraints."

(Ibid. p. 302)

We therefore have a situation in which "in the national interest", the interests of the oil industry are allowed to prevail, unchecked by Government. Add to this the scenario we described on-shore in Easter Ross, in which Government concern for the speediest possible exploitation of off-shore resources is reflected in uncritical support for sometimes quite dubious projects, and we understand better the confusion affecting the area. In Ross and Cromarty County Council we find a local authority taking its lead from Central Government to build and plan for industrial expansion, while vital industrial decisions affecting the area are taken in the business centres of the world, as dictated by the interests of capital. It should really come as no surprise to find a gulf between local expectations and industrial reality such as occurred in Easter Ross.
The vulnerability of a community like this is exacerbated when, to this attitude towards industry on the part of government, you add an analysis of the regional problem in terms of certain areas' inability to engage with capital. The emphasis in such analyses is on locational factors or the current state of the local economy and their attractiveness to capital investment. The object of regional policy is therefore to rectify local deficiencies, to create the kind of local environment favourable to industrial activity. This is the reasoning which continues to underpin Government regional policy. The Stodart Committee of Inquiry into Local Government in Scotland, stressed for instance the need to "sell" particular areas to industry, to serve the needs of incoming industry, to 'assist industry' by providing land and buildings, etc (Gamd 81115). The result is for the interests of capital to continue unchallenged in their domination of these local economies.

In one assessment of the impact of oil, carried out for the Scottish Economic Planning Department by McDowell and Begg (1981), the vulnerability of the Moray Firth area to decisions affecting production is, however, well illustrated:

"The majority of oil-related employment in the Moray Firth area is concentrated in a few large establishments which are geared to the development phase. Depending upon (a) changes in platform technology and the ability of the existing platform yards to secure further orders, (b) the construction of the proposed gas-gathering pipeline, and (c) the establishment of one or more petrochemical plants, all of which are still surrounded by uncertainty, the outlook could be for either rising or for falling oil-related employment. Great uncertainty must characterise the future for any economy which depends upon a small number of large, discrete and unrelated projects.

(McDowell & Begg, op cit, p 70)

In fact, McDowell and Begg have highlighted unwittingly the domination of the area's economy by the interests of capital. Repeatedly throughout their report they refer to the significance of the Invergordon smelter as a major employer in the region and to its importance as a representative of manufacturing industry. Yet within a couple of years of publication
international trade in aluminium slumped, any political will that Mrs Thatcher's Government might have had to withstand the consequences by continuing to provide financial assistance ran out, and the smelter was closed down - put into mothballs, it has been said, to await the possibility of more favourable times.

Local Government

It is being suggested in this Chapter that the interests of capital and the host community do not necessarily coincide, and it is the responsibility of local government to represent critically local interests in negotiations with the representatives of incoming industry. This would involve assessing the appropriateness of particular proposals in light of their probable impact upon the local community - its environment, the social structure, the local economy, etc.

From our detailed examination of the actions of Ross and Cromarty Council we have seen the effect of a particular ideological perspective in ruling out perception of any divergence of interests. In Shetland there was a different response, stemming from a contrasting ideology on the role of industrial developments. It cannot be said therefore that local government per se represents a conservative device - the local administration of the state with all its biases. But the question remains of what factors within the environment of the local state may affect its outlook, setting its policies and priorities. What factors reside within the organisation of local government itself to influence the way in which it will respond to pressures such as those facing a local authority in Ross Shire's situation?

In his analysis of local government, Allan Cochrane questions the assumption raised most often in response to recent government attempts to confine local authority activities, that local government is somehow
inherently more democratic, more open to the representation of local class or community interests (Cochrane, 1982 and 1985). The environment surrounding local authority action imposes certain important constraints upon what is perceived as its legitimate scope for operation, he says, and ultimately the very "localness" of its base can breed a parochial perspective which serves to undermine the possibility of any more concerted opposition to the programmes or priorities of Central Government (Cochrane, 1985, pp 59 - 60) or challenge to the power of capital.

While rejecting the functionalist approach to local government of Cockburn (1977), who sees the activities of the local state as serving the interests of capital (in the sense that that is what it is there to do), Cochrane develops one major theme from her analysis - the effect of local government structures, professions and 'rules of the game' in defining the scope for local government action. In seeking to explain, like Massey from a Marxist perspective, what it is about local government that leads it to identify with the interests of capital rather than the needs of working people, Cochrane refers to the "tight mesh of political and ideological constraints" (1982 p, 294) in which it is set. There are two sets of constraints at work, he says. The first derives from the position occupied by local government vis-a-vis an international economic system dominated by large, multinational firms:

"The most significant aspect of local government economic activity is its clear dependence on the market; on the decisions and requirements of individual firms."
(Cochrane, 1982, p 292)

Secondly, there is the political and ideological position occupied by local government in the wider administrative structure. A Council's place within local history, within the British political culture, as well as the statutory basis for its existence combine to inform what it should do. A local ideology develops regarding a Council's perspective on the task in hand. In this context, the creation of departments and appoint-
ment of staff with responsibility for economic planning and the promotion of industrial development results, says Cochrane, in the development of a staff attitude based on a belief in the need to get results, to win industry for the area. Their orientation therefore turns towards uncritically serving the needs of industry, regardless of possibly conflicting local considerations, involving land use, the social impact, etc.

A local authority working from this perspective, defining its task in terms of the need to attract industry to its area (in an attempt, usually, to redress locational disadvantages) engages in what Cochrane has described as -

"begging or pleading as private actors have to be prodded or persuaded into action." (op cit, p 292)

The outcome of what he calls this "opportunist approach" is uncritical acceptance of any 'bite' from industry -

"the desire to take any employer, however small and whatever the problems." (ibid, p 297)

This is to adopt a position of weakness or dependence upon industry to determine the future social and economic structure of the local authority's area. Having successfully 'sold' its site to industry, a council will have little control over the use to which the land is put - it is accepted that this will depend on the nature of the enterprise involved.

Many of the elements in Cochrane's analysis were present in Easter Ross. In their industrial promotion role Ross and Cromarty County Council sought to sell their area to industry very much as Cochrane has described. In this they engaged openly in competition with other local authorities which, they feared, might present a more attractive environment to industry. Cochrane has drawn attention to the fact that these efforts on the part of local authorities are relatively insignificant, in that they tend to cancel each other out. But the more important issue for us is the acceptance
shown by the Council, in assuming this role, of the structures and values of capitalist society.

The influence of ideology on the actions of this Council cannot be understated. We saw the many sources from which the Council's commitment to development via industry was built up – the aspirations of local Councillors, certain individuals particularly committed to industrial development, the rhetoric of regional policy and the actions of the HIDB, plus Central Government support on key issues. These combined to inform Council policies and priorities in important ways. Local interests were identified with those of industry and a policy of industrial promotion undertaken as a priority.

Given their ideological commitment to the attraction of industrial development to the satisfaction of Councillors and officials, the issues were settled. Land use considerations in the planning process should be subordinated, it was said, to the requirements of industry. Planners conceded that while they would normally have expected thought to be given to questions about the best use of land in the area, the social impact, etc, policy dictated that the needs of industry should be paramount. Likewise, other areas of Council provision were dominated by their desire to court industry. The consequences of involvement with industry were interpreted as the marks of progress, so they presented no dilemma.

By taking this attitude, as we have seen, Ross and Cromarty County Council exposed their area to domination by the interests of industry. Furthermore, the competitive individualism which marked the Council's behaviour meant that the opportunity presented by Shetland's actions of representing local interests more critically in engagement with industry was largely wasted. Local authorities working together from a common position of their attractiveness to the industry might well have achieved more in mitigating the effects of industrial development upon their area –
certainly, if they could have countenanced the possibility, Ross Shire's position in negotiations with incoming industry would have been strengthened. As it was, the weakness of their position as a single rural local authority was exposed in the face of the demands of a volatile and unpredictable industry.

It is more appropriate to relate Cochrane's point about the inability of Councils to unite in a common objective, their parochialness, to the ideology underpinning Council policy than to some integral factor within the organisation and structure of local government.

Highland local authorities in the area close to Easter Ross shared the belief from Highland development philosophy, in the case for attracting industry to the area. Each would have wished to occupy the centre stage instead of Easter Ross if they could, and each wished to claim any benefits resulting from current industrial interest in the Highlands. Indeed it was in response to their disparate and disorganised efforts that the Scottish Office stepped in to ensure that inadequate housing provision would not present an obstacle to development of on- and off-shore work. Ross Shire's County Council would offer no criticism or qualification of industrial proposals coming before them, lest they should turn any firm to some other area (despite claims from companies in justifying their proposals that they needed their Easter Ross sites because nowhere else would do). In fact, no other neighbouring area offered the advantages available in Easter Ross, but in the spirit of competition between Highland local authorities they feared that any hesitation on their part would provide the opportunity for one of their neighbours to step in.

This attitude of competitiveness (which develops also in the acting out of regional policy involving attempts to attract industrial investment by the offer of a range of inducements) weakens the bargaining position
of individual local authorities, as the concerns of an isolated Council can be minimised easily be reference to, for instance, the national interests. It also provides a situation in which industry is given the initiative and the power to dominate events within the community it chooses, and freedom to set the conditions for its involvement in the area. It is possible to foresee situations, involving perhaps attempts by Central Government to cut rate support grant, when local authorities' perception of the issues leads them to join forces in opposition. However, the individualism and competitiveness which has characterised local Councils all vying for a share of any new industrial investment has meant that discussion of broader issues, to do with the structural relations produced by capital activity in respect of their different area has not taken place. We are left with the question of how much more might Highland local authorities, including Shetland, have gained for their respective communities if they could have joined together on the basis of their common importance to the oil industry, not forgetting the national interest, to influence the course of industry's involvement in the north.

**Industrial Development and Shetland**

In Chapter Five it was suggested that Ross and Cromarty County Council could have taken some useful lessons from Shetland's response to the oil industry. The more aggressive reception the oil companies received in Shetland, it was said, if copied in Easter Ross could have mitigated some of the disruptive effects of industry upon that community. In Shetland we have a community attempting to respond critically to the prospect of new industry - in order to represent local community interests in negotiations with incoming firms. There is here a perception of conflicting interests which contrasts markedly with the expectation in Easter Ross that community interests would inevitably be served through
serving the interests and requirements of industry.

Massey has identified local politics and ideology and the actions of local classes and social groups as having an important formative influence on the reception given to industry within a particular community, and its local impact (Massey 1984, p 58). She accounts for regional differences by the emergence in particular communities of a sort of "regional class" outlook, reflecting place-based relations between work and community (op cit, p 58). For Massey there is a risk in the emergence of such regional based allegiances that the solidarity of the working class (on a national level) might be undermined, and she emphasises that here we are dealing with "geographical relations within national classes". But there is also the possibility that such allegiances may lead to co-operation between local classes on the basis of perceived conflict between local interests and those of capital. This is what we find in Shetland although, as we shall see, not in the form of radical opposition to the power of capital.

In looking critically at Shetland's experience we are made conscious of the similarity in the pressures affecting this community following the arrival of oil-related developments and the other areas we have mentioned, Easter Ross and Aberdeenshire. These derive largely from the nature of the oil industry itself and its particular involvement in the north of Scotland. There was the uncertainty about the rate and scale of developments, which reflected the state of the industry itself. This resulted in difficulties for planning authorities and for Councils responsible for the provision of infrastructure. This was no less the case in Shetland where, for instance, despite the Council's attempts to control housing provision along particular lines, they were quite overtaken by the eventual demands brought by incoming firms. These
pressures, produced by developments in the international oil industry, were in turn reinforced by another set of pressures, from national and international politics. You find, in the midst, communities like those we have mentioned trying to respond as they see fit to demands that they can't anticipate, while receiving little guidance from Central Government - except the message, repeated by the oil industry, of great urgency.

The difference between Shetland and Ross Shire lies in the way in which their respective Councils reacted to the pressures and demands of incoming industry - as reflections of contrasting ideologies.

Underlying Shetland's reaction to the arrival of oil-related developments were a number of factors which distinguish it from that of Ross and Cromarty. Belief in the strength of the Island's economy and the debilitating effect of past involvement with the wider economy, a distinctive cultural outlook and sense of local identity, and the presence of Councillors and officials committed to a particular outlook on industry, resulted in an ideological position which contrasts with that in Easter Ross. In Shetland the arrival of industry on this scale was seen as an exploitative force, a threat to the stability of cultural and economic life in the Islands. Thus to Shetlanders, the arrival of industry was seen to present a real conflict with local interests.

Their reaction was to negotiate firmly over what was perceived as the industry's weak spot. They recognised that the industry needed its Shetland landfall, and that they therefore could argue from a position of strength in establishing certain conditions over oil companies' involvement in the area. This is to adapt Massey's argument that industry's power derives from the advantage which it has over labour on the basis of its superior inability to relocate to more profitable locations. For the Shetland Islands' Council recognised that in this case the companies had nowhere else to go. This stands in marked contrast to the attitude prevailing in Ross Shire, with Councillors and
officials seeking to accommodate industry's every demand for fear that companies might opt instead for some other area further up or down the coast. Yet in Shetland, too, there was always an awareness that only such conditions could be imposed as were ultimately acceptable to the companies involved, and the industry had behind it a UK Government intolerant of the spoiling tactics of any local authority.

In reality, Shetland's actions were carried out in an attitude of resignation towards the arrival of the oil industry on the Islands. They sought to make the most of what was accepted as an inevitability. There was no attempt to question the underlying relations or processes of capitalist production. The constraints of a capitalist society were accepted pragmatically. Their response to the arrival of the oil industry is best seen as a particular form of opportunism, in mitigating the effects of the industry and in making certain marginal gains for the local community. While an indictment of the compliant response offered by Ross Shire's County Council, this was not a radical response, more an essay into entrepreneurial activity on the part of Shetland Councillors, and Ian Clark in particular, recognising market realities and the attractiveness of their Island sites to the interests of capital.

In the end, the power of industry to dominate a local way of life was demonstrated in Shetland as in Easter Ross. Despite Shetland Islands Council intentions regarding future community organisation, the requirements of the incoming industrial workforce resulted in a quite different pattern. The parallel in Easter Ross lay in the futility of Council discussions about travelling men and workcamps and their decision to cater for family men as part of a stable industrial future. A similar gulf between Council aspirations and the reality brought about through industry is shown in the inability of the Shetland's Council to see through their intention of controlling the impact on local wages and
the labour market.

Yet if we are to conclude that there is a kind of structural inevitability about what happened in these areas' involvement with oil, reflecting the forces of capitalist production and political choice, we are still posed a challenge by Shetland's experience. Perhaps the significance of Shetland's reaction lies not so much in the payments which it has secured from industry or that element of control which it has achieved, but in the fact that it did try to 'take on' industry, to influence its course in ways important to the community. Shetland Islands' Council demonstrated that it is possible to engage aggressively and critically with incoming industry to seek to limit the local consequences, without frightening companies away. The factors that brought them there were not so marginal as to be neutralised by the activities of a hard-bargaining council. Other Councils, appreciating this point, might have achieved considerably more in protecting their communities from the disruptive consequences of industrial development, and in seeking to safeguard the local economy and community life in the longer term.
APPENDIX I
Notes: Chapter One

1. From the survey report accompanying the County Development Plan:

"After the 2nd World War when the Government were considering the creation of New Towns under the New Towns Act, representation was made that Invergordon would be suitable as a site for a moderate-sized New Town. This was based on the following considerations.

1. The great need for industrial employment which would enable young people to stay in the Highlands instead of going south for this class of work;
2. The expectation that the Hydro-Electric Board would supply power cheap enough to attract electro-chemical or metallurgical industries to the Highlands;
3. Invergordon's central position in the northern Highlands, a trunk road and railway, with a fine natural harbour favourably situated for great circle steaming to the ore and grain ports of Northern Canada;
4. A good climate, pleasant surroundings and easily developed sites for both housing and industry.

2. The 1966 White Paper had predicted that the facilities available in the area around the Beauly and the Cromarty Firths were likely to become increasingly attractive to industry and commerce, offering prospects for development which were unique in the Highlands. Appendix A of the White Paper describes a new linear development in this area which would lead to a 120% population increase. (Cmnd. 2864)

3. The concept generally lost favour during the 1960's due to the difficulty in identifying growth areas, although it remained an important part of HIDB strategy. (See McCrone, 1969)

4. The Board's thinking was in fact modified later to offset the possibly weakening effect of the domination of the Moray Firth area over less prosperous parts of the Highlands. (Adams, 1974)

5. In 1934 four areas, South Wales, North-East England, West Cumberland and the industrial belt of Scotland, were designated as Special Areas (areas with exceptionally high unemployment). Commissioners were appointed to promote measures for the economic development and social improvement of these areas given funds and certain limited powers. They
were replaced in 1945 by larger Development Areas. (See Dennison, 1939)

6. The seven crofting counties: Argyll, Inverness, Ross and Cromarty, Sutherland, Caithness, Orkney and Shetland. (Crofting is that form of land tenure found in each of these counties, in which a part-time small holder with security of tenure enjoys a number of special rights including access to local common grazing. As a rule, he will supplement his farming duties with work in other trades.)

7. The 1966 White Paper argued that, in the past, the Highlands had been treated as a special case "justifying its own set of standards and insulation from criteria applied elsewhere" and that "while undeniable benefits have been won as a result of treatment it is arguable that in the long run the Highlands have lost more than they have gained."

8. The Board had its task outlined: - "For the purpose of assisting the people of the Highlands and Islands to improve their economic and social conditions and of enabling the Highlands and Islands to play a more effective part in the economic and social development of the nation..." (Highlands and Islands Development (Scotland) Act 1965)

9. "Of the £40 million expenditure on the construction of an aluminium smelter at Invergordon, less than £7.5 million was incurred in the Highlands and that was spent mainly on wages for local construction workers and the purchase of infill materials" - strictly temporary activities. (Mackay, 1973, p.25)

Notes: Chapter Two

1. "...through hydro-electric systems, tidal power, wind power, atomic energy and heat." Highland Opportunity, p.28.

2. Professor Robert Grieve, first Chairman of the HIDB, was himself a planner, having come to the Board from Glasgow University, where he had been Professor of Town and Regional Planning.

3. "It has become clear from our work that the problem is quite soluble over all our area, concerning half of Scotland, given the will to solve it and willingness to display the necessary resources. I can see no sign whatever of the requisite will to solve the problem on the part of the Scottish Office and, of course, in terms of the Act (Highland Development (Scotland) Act 1965), this is crucial. The attitude to proposals of real substance is uniformly a negative search for maximum of difficulty. To this is added a degree of indecision and confusion which is quite startling. The Board have emphasised that we do not stand in a static situation and that delay or indecision are just as effective in driving away potential development as a straight 'no'."
Excerpt from John Robertson's letter of resignation from the HIDB, quoted in the Ross Shire Journal, 14.7.67.

4. The significance of this decision was described in the Board's Third Annual Report as being "of crucial importance to the overall work of the Board and the credibility of their policies". HIDB Third Annual Report, 1968, para 61.

5. Amendment No.4 - Stornoway Town Map First Review, 1971.
Amendment No.5 - Areas of Great Landscape Value, 1970.
Notes: Chapter Three

1. Amendment No. 9, involving the allocation of an additional 515 acres for general industrial use at Evanton (making a total of 594 acres) was approved on 21st June 1973. Little discussion was provoked by the zoning action, which was intended to provide opportunity for broadening the industrial base in Easter Ross. As the Council explained in the Report and Policy Statement accompanying the Amendment:

"...it is the County Council's policy to create new employment opportunities. The developments at Invergordon and Nigg are providing extensive new opportunities for certain types of workers. The development of the Evanton site with the possibility of attracting a greater variety of businesses will not only create additional jobs but a greater range of jobs requiring different crafts and skills." (R & CCC, Amendment No.9, 1972)

2. CFDC was one branch of a giant operation by Onshore Investments Ltd.-OIL-other branches of which were involved in taking control of prime sites at Peterhead and Fraserburgh and in Shetland. In its turn, OIL was the wholly-owned subsidiary of a Lancashire property trust, backed by a group of Edinburgh financiers. (Rosie, 1978, p.43)

3. The Reporter gave as his reasons for deciding against the refinery:

"I consider that there are major objections to the proposed development on which the applications for Article 8 Directions are founded, because of (a) the impact it will have on the landscape of Easter Ross; (b) the risk it would introduce of a major spill, or a series of minor spills, having a cumulative and perhaps irreversible effect on wild life in intended National Nature Reserves of International Importance; (c) the effects such spills and any publicity relating thereto can have on the population in and visitors to, the area; (d) the short-and long-term effects the development and its associated activity can have on the fishing industry and (e) the inhibitions and limitations that a privately owned marine oil terminal designed to service but one industrial development and constructed at Nigg Point - which point is to be considered as a key location in the context of the Cromarty Firth - may impose on the future development of that Firth as a port. These effects would remain at least throughout the working life of the refinery. In addition there would during the construction phase be further disruption of the social
fabric and additional strains on the infrastructure of an area already under great stress arising from recent and continuing industrial growth." (Maycock, para.70)

4. John Wells (Con. Maidstone), Roger Moate (Con. Faversham) and Tam Dalyell (Lab. West Lothian).

5. Highlands Fabricators and their near neighbours, McDermott's of Ardersier, have fared relatively well in this competition, especially when compared with the Government yards which never won an order. They have been successful in maintaining continuity of employment, although sometimes at very much reduced levels for small contracts.

6. As an illustration of the significance of Hi-Fab employment for Easter Ross and the wider Highland area, we have the following analysis of the residence information given by employees at the time of their application for work (during the year of peak employment, 1974). The majority of employees gave Easter Ross addresses. A smaller number gave Easter Ross as the location of their previous employment, giving some indication of the numbers newly settled in the area (Table 2).

Table 2

<table>
<thead>
<tr>
<th>Area</th>
<th>Residence on Application</th>
<th>Location of Previous Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Employees</td>
<td>Percentage Distribution</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Excluding &quot;Not Known&quot;</td>
</tr>
<tr>
<td>Easter Ross</td>
<td>756</td>
<td>67.9</td>
</tr>
<tr>
<td>Wester Ross</td>
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<td>0.6</td>
</tr>
<tr>
<td>Western Isles</td>
<td>84</td>
<td>7.5</td>
</tr>
<tr>
<td>Sutherland</td>
<td>66</td>
<td>5.9</td>
</tr>
<tr>
<td>Caithness</td>
<td>51</td>
<td>4.6</td>
</tr>
<tr>
<td>Highlands (rest)</td>
<td>26</td>
<td>2.3</td>
</tr>
<tr>
<td>Scotland (rest)</td>
<td>93</td>
<td>8.4</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>29</td>
<td>2.6</td>
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<tr>
<td>Rest of the World</td>
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<td>1.0</td>
</tr>
<tr>
<td>Not Known</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1126</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

7. In the Dingwall-Invergordon area, covered by the Invergordon Employment Exchange, the 1968 level of unemployment, 7.5%, fell to 3.2% in 1974 when Hi-Fab employment peaked. By October 1977 the rate had increased to 12.6%. (D of E, Dingwall/Invergordon area)
Notes: Chapter Four

1. Holmes' approach to this study of the Moray Firth region is given in the introduction to the report:
   "Clearly the most important single fact known to us was the probability of large-scale, capital-intensive industrial development in the vicinity of Invergordon. Indeed this possibility is the immediate cause of the whole study, which could in fact be described as an account of how we answered the question, 'if major industrial development occurs at Invergordon, where should the people live?' This question raises many more... The answers to such questions as far as we have been able to ascertain them make up the strategy for development which we foresee could result in a future population of between 250,000 and 300,000 persons living in the Moray Firth area, compared with its present population of approximately 70,000." (Holmes, 1968 p.2)

2. Two main arguments were offered against increasing the population of Invergordon. Holmes believed that the unrestrained growth of Invergordon would result in the creation of a dumb-bell type of development, with Invergordon pitted in direct competition with the existing regional capital, Inverness. This was rejected since it could lead to the undermining of the strength of each town, in the long run proving counter-productive for the growth of the region. In addition, the physical structure of Invergordon did not, said Holmes, lend itself to an equitable expansion. The town was effectively dissected by the main road which ran from east to west. This division was compounded by the rows of massive oil storage tanks, a relic of Invergordon's naval days, also running in a line from east to west. Two distinct communities had formed divided by these twin tracks. One, to the south, the oldest part of the town, could expand no further, bordered as it was by the Cromarty Firth. Any expansion would therefore have to take place to the north, the pattern which had been followed by all post-war, principally Council, house building. This possibility was rejected by Holmes for its potential for creating a physically and socially divided community. (Holmes, 1968, pp.56-9)

3. Pease's estimates of Easter Ross growth in the twenty-year period to 1991, assuming Grampian Chemicals built in the area, but reflecting uncertainty over subsequent developments varied between two sets of limits:
<table>
<thead>
<tr>
<th>Year</th>
<th>Lower</th>
<th>Upper</th>
</tr>
</thead>
<tbody>
<tr>
<td>1974</td>
<td>7,425 (est)</td>
<td>7,425 (est)</td>
</tr>
<tr>
<td>1981</td>
<td>7,800</td>
<td>14,150</td>
</tr>
<tr>
<td>1991</td>
<td>10,250</td>
<td>16,000</td>
</tr>
</tbody>
</table>

Already, in 1971, it was recognised that the disappearance of industrial interests mooted for the area, would require the lowering of current estimates. (Fiddes 1972, para. 38)

4. Albyn normally operated co-ownership schemes, but in the unsettled industrial environment of Easter Ross they agreed on a rent scheme similar to that operated by the local authority. They agreed to let houses only to those recommended by BACO management and were, overall, pleased with their involvement in the area. When oil-related developments reached a peak they built a further programme of housing, again to be let only on company recommendation. (Int. Rougvie)

5. The Moray Firth Working Party outlined its objectives in its progress report of November, 1973:

"The terms of reference set out for the Working Party include a requirement to keep itself regularly informed about industrial developments in the area - in particular about their labour requirements; and to produce short-term targets for the provision of housing, water supply, drainage means of communication and other physical and social services. In its operations the Working Party has had regard to these broad objectives and in particular has directed a major effort into identifying the scale, location and timing of housing needs for incoming and expanding industries and taking measures to accelerate provision to meet that need. It has also considered the question of school building." (SEPD, Nov. 1973)

6. The membership of the Moray Firth Working Party was also given in the progress report of November 1973:

"The Working Party is chaired and serviced by the Scottish Economic Planning Department, and its regular membership comprises the Clerks and Chief Planning Officers / Architects of the four local planning authorities in the area covered by the remit: Inverness County Council, Inverness Town Council, Ross and Cromarty County Council and Moray and Nairn Joint County Council; and officials of SDD, Department of Employment and the HIDB. Other officials of those authorities, representatives of SSHA and of the
small burghs in the area and officials of other Government Departments attend as required." (SEPD, op. cit.)


8. While drawing heavily on principles contained in the Holmes Report, the East Ross Strategy differed from that report in important respects, notably in advocating the expansion of Invergordon as a major centre.

9. Amendment No.8 : Tain Town Map - First Review, 1970
Amendment No.9 : Evanton Industrial Site, 1972 (see page 165).

10. It was at this same meeting of the Planning and Development Committee in May 1972 that the decision was taken that the SSHA "be not enlisted for the provision of housing in Easter Ross. (P&D mins, 30.5.72)

11. As a site for the construction of concrete platforms, Kishorn has been suggested to be a better long-term prospect than the steel production yards (see, for example, Mackay & Trimble, 1975).

12 "a) Projection 1 is based on the County Council's adopted growth targets for the projection period.

b) Projection 2, for the period 1976-91, is based on tentative estimates prepared by the Central Research Unit, Scottish Development Department, in advance of translation of the 1973 base series down to sub-regional level. (These projections not available until end 1974).

c) Both projections share a common migration estimate for the first quinquennia. This estimate is based upon likely house completions totalling 4570 units during the period 1971-76. This figure has been translated into its population equivalent using vacancy rate (1%) and average household size (3.4) factors determined in consultation with the Scottish Development Department. An allowance for natural increase amongst the base year resident population has been deducted from the resultant population figure to provide an estimate of net migration for the period." (East Ross Demographic Study, 1974)
N.B. Here it is said that migration has been forecast from house completions. One would normally expect the converse to apply, in that building targets are set in terms of anticipated population levels. It is a sign of the commitment of Ross and Cromarty County Council to using their housing stock to bring about an established industrial base that by 1974 they were arriving at estimates of migration from the number of available houses.

13. "The differences in average household sizes suggested by the projections are relevant to the mix of house sizes and types which ought to be provided, and do affect the ratio of housebuilding to population increase over the forecast period. The target projection indicates that the average household size in Easter Ross will be increased from about 3.0 in 1971 to levels in excess of 3.4 persons per dwelling (well above the national figures), whereas the second projection shows an initial rise to almost 3.2, falling back over the long term to less than 3.0. These figures suggest that should the incoming population conform in terms of its age-sex characteristics to the second projection then proportionately more houses will be required than in respect of a similar population increase using the target projection assumptions. Moreover, with a reduced average household size, more emphasis would need to be placed upon smaller, "non-family" type housing units..." (East Ross Demographic Study)
Notes: Chapter Five

1. In addition to its responsibilities as 50% shareholder in the Sullom Voe Association, the Council retained as planning authority and port and harbour authority responsibility for the provision of services and port facilities, the provision of construction village services and of oil-related infrastructure in the form of water supply, sewage, roads, education and housing.

2. The Shetland Islands Council have offered the following as reasons why this should be so:
   - because Shetland is physically isolated from the Scottish mainland, and the outlying parts of Shetland are far from the port and distribution facilities at Lerwick, building costs are high;
   - the number of dwellings in a housing programme are comparatively small and the houses need to be dispersed over a wide area;
   - obtaining suitable building land free from peat, undue exposure and good agricultural value is difficult;
   - controlling costs under the present housing subsidy system in Shetland is difficult; and
   - the time between assessment of need and the allocation of Council houses is very long.
   (SIC, 1977 (b))

3. An indication of the increase in Shetland Islands Council housing after the onset of oil-related developments is given below:

   On 15 November 1975 there was a total of 1713 SIC houses
   30 September 1976  1959
   30 September 1978  2277
   31 March 1979      2521

   The number of houses under construction for 1980/81 was 660. (SIC, 1981)
   The oil companies also contributed to the housing programme, providing housing for company employees, but oil-related housing was still a significant element in the Council's housing programme - see following (fig. 2):
### Number of oil-related houses in villages designated for development, 1981:

<table>
<thead>
<tr>
<th></th>
<th>Voe</th>
<th>Mossbank</th>
<th>Brae</th>
<th>Firth</th>
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</thead>
<tbody>
<tr>
<td>SIC</td>
<td>18</td>
<td>51</td>
<td>134</td>
<td>100</td>
</tr>
<tr>
<td>Private</td>
<td>37</td>
<td>27</td>
<td>54</td>
<td>34</td>
</tr>
<tr>
<td>Total</td>
<td>55</td>
<td>78</td>
<td>188</td>
<td>134</td>
</tr>
</tbody>
</table>

(SIC, 1981)
Notes: Chapter Six

1. Although Massey has tended to concentrate on industrial decline in traditional urban areas of manufacturing industry and the redistribution of new industrial activity as a reflection of changes in Britain's industrial geography, her analysis is applicable to other areas experiencing structural change in industrial/employment activity, like the Highlands of Scotland during the period of this study.

2. For industrial capital the basis of antagonism with private land ownership as a form lies in the requirement that it pays over a part of its surplus value for the performance of a function (the private ownership of land) which is not technically necessary for the production or realisation of that surplus (Massey and Catalano, page 39). The effects on the production process can be several - for instance, the levying of different rent charges on the basis of local characteristics is matched by an assessment on the part of manufacturing industry of the relative merits of different locations in decisions over investment.

3. The Conservative Government of the time repealed the Community Land Act in 1979, and Development Land Tax was abolished in 1985.
In this study I have tried to present a picture of events in a fairly well-defined period of Ross-Shire's history and to understand the motivation behind the local authority's actions during this period and their implications. The issues with which I was particularly concerned required that this period be set in the wider context of Highland development policy, as Council representatives explained their actions repeatedly in terms of their development ambitions and Highland development strategy. The first chapter is therefore mainly taken up with a critical discussion of Highland development philosophy, related to a more general theoretical discussion of development strategies. In this way I have hoped to provide a coherent perspective from which the Council's actions in this specific period might be understood.

Anyone approaching an area like Easter Ross will ask questions reflecting their particular interests and set the context for their discussion accordingly. In my case(1), the choice of the local authority's administrative response arose from a specific interest in the area from the perspective of Highland development policy. My first degree in Aberdeen University had included discussion of the sociology of development with detailed study of Highland development. Events in Easter Ross involving the introduction and encouragement of large-scale industry provided an opportunity now to apply that more theoretical discussion. The fact that Easter Ross is my home area meant that I had perhaps not so much a particular concern for changes affecting the area as a sensitivity to change which raised questions whose significance could be considered from a theoretical perspective. Why was the arrival of large-scale industry being dealt with, as it seemed, with an uncritical welcome despite
the degree of change resulting for the local community; why did environmental and some social factors appear to be of lesser importance here than following industrial development elsewhere? These and other questions were to do with the administration of public policy, and specifically to do with the policy and priorities of Ross and Cromarty County Council. In addition, I had visited Shetland and in mixing with people there I was soon aware that the arrival of similar developments had met with a quite different response on the part of the Council and the wider community.

In trying to build up a picture of events affecting the area during this period and the local authority's response, I relied most heavily on four main sources of data: public inquiry transcripts, official papers and records (County Council, HMB or Scottish Office), national and local newspaper accounts and personal interviews. Use of such material to build an account retrospectively raises certain questions of validity. This is an issue of which I have been aware in carrying out the study.

In terms both of selection and collection of data there is the bias that I, as an interested observer, can introduce - firstly in defining the area of study and setting the questions. To the extent that Easter Ross during this time was marked by quite remarkable changes, and that there is an ongoing discussion of Highland development strategies, it can be said with some confidence that the questions posed in this study are apposite and relevant.

In addition, while the fact that I came from this area might have given me an advantage in identifying areas of questioning and in justifying my interest in the area in the eyes of interviewees, it may also have led to a pre-judging of the issues and rigidity in
interpretation, and to interviewees being more frank in their discussion of personalities and public issues than they would have permitted themselves with someone whom they perceived as unquestioningly neutral. The result of such bias would have been to produce answers reflecting my assumptions or the strong emotional involvement of certain individuals. I have tried to be aware of the risk of distortion presented by my personal involvement. The fact is that while my particular connection with the area might have increased such risks, no one entering the area for the purposes of research would be immune. It is important to be conscious of the possibility of bias arising in this way and to be always critical and self-conscious in handling the data, documentary evidence and interview material alike.

If we turn now to the data itself, certain tensions arise from the very nature of the study and the type of data involved. Social behaviour is not amenable to replication for experimental purposes. Instead, we have to dig back into the period to find an account of events which can be put forward as the basis for discussion, and into the memories of individuals involved at the time both for information and as an aid to interpretation.

Firstly, with regard to collection of data, a striking feature about this study was the amount of documentary material which was readily available. Verbatim transcripts of public inquiry proceedings provided detailed accounts of the principal industrial projects, and of the response of the local Council and other administrative bodies. In addition, Council records provided the official account of local authority policy and priorities. These were backed up with other sets of official papers, again readily available, from the HTDB and the Scottish Office. Overall, for a study of local authority administration of events, there was no documentary evidence that I
looked for that I was unable to find.

The situation is rather different regarding the availability of interviewees. No one I approached refused me an interview, but there were people not available whom I would have liked to interview. County Planning Officer Pease and County Clerk James Dunlop were major participants in the events of this period who fall into this category as they had left the area. If I had felt that the kind of information I would have gained through interviewing these individuals was essential I would have gone to greater lengths to contact them. Believing this not to be so, although it would have been interesting, I have been careful in my account of their involvement to not go beyond the information I had from other sources (which have been clearly identified). In addition, the actions of incoming companies which generally provided the trigger for the Council's response have been described only partially. There must have been in addition to those instances in which firms made positive decisions to invest in the area, others which remain undisclosed because they chose not to do so. The area of company motivation and responsiveness to particular local factors is taken mainly from either employees' second-hand reports or press accounts. It was not possible to interview the decision-makers behind company decisions to have a fuller picture of their perspective in dealing with Ross-shire's County Council. Had the question of company motivation been more important to this study it would have been vital to secure further information of this sort. As it is, while further detail about company perception and motivation might have provided additional interest, it is not essential.

While the collection of material in this way was affected by
by individuals' availability I was with these exceptions able to contact
the people I wanted to interview. These fell into a number of cate-
gories.

From the public inquiry transcripts and Council Minutes it
was possible to identify those individuals who were credited officially
with responsibility for Council policy and its implementation. From
interviews with these, others emerged who were acknowledged by those
involved as having played a significant part in influencing events,
also the officials who were particularly influential. Press accounts
identified those who were most involved in public debate - the Ross-
Shire Journal was of particular help here in providing a distinctly
local perspective on the contributions of particular individuals -
and in identifying those responsible for the execution of policy.
Individuals who emerged in this way were, for instance, Roland Mardon,
an Easter Ross Councillor, active in his area and on the Council but
without occupying a particular Office on the Council; and Pat Borland,
of the SSHA, or Mr Paterson, Manager of the Invergordon Job Centre.

Overall, however, it has to be said that no individual chosen
for an interview was identified by any one of these sources on its
own. It is worth making the point again that this was a well-defined
period in history of an isolated but discrete area of Ross-Shire.
The number of individuals occupying key roles (in terms of their
political or executive influence) was therefore relatively small,
and they were known to one another from fairly intensive interaction.

Having identified and interviewed those individuals who emerged
in this way for guidance in the process of selection and interpreta-
tion of data, a second group of interviewees was contacted for
consideration of questions arising later in the area's history.
These included the Convener and Vice-Convener of the District Council
who were identified through Council Minutes and in interviews with officials straddling the two Councils as having a particular influence on District Council policy on industry and housing. Under reorganisation of local government, responsibility for planning became a Regional matter. It was therefore possible to gain from those Regional officials who were new to the area professional analysis of the period with which I was concerned, and again from those straddling the period views on the working out of Council policy as well as further details.

The third group of interviewees were others engaged in research in the area or who had produced analysis of related issues elsewhere. These were readily identifiable from reading the literature, and from registers of research produced regularly by the Sociology Department of Aberdeen University. These interviews provided a useful sounding board for my developing interpretation of events and of the accuracy of my account. While there was the possibility in this interchange that a kind of shared conventional wisdom would develop in relation to the area influencing subsequent research, the greater pressure was for discipline to define clearly one's research interest and not to stray into someone else's work.

Overall, selection of data presented greater difficulties than its collection. The sheer mass of readily available material, in public inquiry transcripts, official papers and press coverage meant that simply organising the material and selecting relevant items was an extremely important first step. As selection inevitably reflects interpretation of events and their significance, I was therefore aware from my initial contact with these documents of the biases which may be introduced in this process. Personal interviews provide an invaluable aid to the interpretation of data and the construction of the
final account: they also offer detailed insights into the period not otherwise available. Whilst an indispensable source of information, if used uncritically and naively, they may lead to considerable distortion.

Interviews held with individuals after the event may reflect the benefit of hindsight, and while providing a useful account of those events present a somewhat modified view of the surrounding circumstances. Disproportionate importance may be attached to particular actions or influences. Personal views may intrude which were not actually represented in discussions as the time, or there may be simply the tricks of the memory. Consciousness of these various possibilities of error in reporting provided further grounds for seeking confirmation in contemporary records and in referring to this written evidence in seeking to record the course of specific events. One episode which stands out as being open to the risk of misrepresentation was that involving Lt Comm Durham and the eventual abandonment of Occidental's plans for the area (see Chapter Two). For an account on this period I relied primarily on a combination of personal interviews and newspaper accounts. These I checked the one against the other, and I checked key points relating to the Company's location decisions also in the public inquiry into Amendment No 3. In addition, I sought interviews with individuals involved in this period other than Phil Durham, in order to substantiate his account and as far as possible to verify his perception of events, beyond his personal role, during the period.

It is perhaps worthwhile at this stage to consider the several purposes which I asked personal interview material to serve - assistance in interpretation as already stated; more detailed accounting from personal experience of the motivation of the different
agencies involved and of contemporary debate; explanation of apparent tensions between different sources of evidence; assessment of the weight to be attached to particular influences within the community, and to clarify lines for further inquiry.

As a trigger for interpretation of episodes for which there is supportive documentary evidence interview material is amenable to verification. This has to be less so when interviews are used to guide interpretation and analysis. Here an important source for verification is complementary interviews with other agents involved in a period, or with critical observers able to comment on the events from a distance. One aspect of this sort of study is that it involves a cumulative process of interpretation not totally amenable to verification. The question it has to face then is whether it is a coherent account capable of supporting the theoretical analysis applied. There is an element which has to be taken on trust, in terms of the accuracy of the account. Its validity, in terms of the arguments being developed, can be tested by reference to complementary pieces of research.

The use of documentary evidence also raises certain problems. Rich as they are in detail and information, official records, including public inquiry transcripts, and especially press accounts have certain limitations. They were compiled for a quite different purpose from that of research data. The quasi-judicial setting of the public inquiry actually involves a series of groups and individuals in representing their particular perspective. They all have an axe to grind. It would therefore be naive to use inquiry material uncritically as a disinterested description of any issue. What it does offer is detailed insight into the arguments of the day. Press accounts and Council Minutes also, though prepared for very different audiences, reflect particular perspectives and like the inquiry material best regarded as an indispensable contemporary account which provides a
partial aid to analysis. An additional problem arises, particularly when as much documentary evidence is available as in this study, that the questions asked arise only from that material, and we let the documents set the agenda. It is important to set such material within its context and analyse it critically from the perspective of the overall study.

None of these points should be taken to suggest that this sort of retrospective account is hopelessly undermined by the fragility of the data on which it is based. It is rather to recognise the limitations facing such a study and to avoid making inappropriate claims. A case study, such as this is, offers the richness of a unique real life situation for the purposes of analysis. We have the opportunity on the basis of this analysis to generate hypotheses and to explore theories: it is inappropriate to talk here about the testing of theories. While claims for the internal validity of this account can be made with some confidence the applicability of points to a wider population cannot be assumed. To begin to generalise from the conclusions put forward in the thesis it would be necessary to test them against accounts drawn from comparable situations.

Within the limitations affecting a retrospective study it is fair to say that this is a well-documented account of events in Easter Ross in the period from 1966. Because historical events are more readily established (from documentary evidence, mainly) than analysis of motivation or expectations (from either documents or interviews), I can be reasonably confident of the validity of the account of events - less so the interpretation, based as it must be on my reading of the data combined with the perception of a variety of individuals drawn from interviews. This is an inevitable tension in a study of this kind. Others might put forward alternative
analyses of the period from different perspectives - nor would this undermine the value of this study. The issues which it raises, to be explored further should be considered in other settings and their significance assessed.
(1) Others interested in the changes taking place during this time have approached the area from different perspectives. Their work has been mentioned in the course of the thesis. For instance, Mackay and Mackay have looked at Easter Ross as one area amongst others experiencing the implications in terms of onshore developments of Government energy policy and political-economic considerations; Geoghegan has looked at the lessons to be drawn by Ireland from Shetland and Mainland Scotland’s experience of demand for oil-related housing; and Varwell was concerned with the social impact of large scale industry on rural Ross-Shire. (See bibliography for reference to these and other studies taking in Easter Ross’s experience.)
## List of Sources

### 1. Papers relating to business of Ross and Cromarty County Council.

<table>
<thead>
<tr>
<th>Source</th>
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<tr>
<td>CC mins</td>
<td>Minute of Meetings of Ross and Cromarty County Council, 6.9.67; 1.5.68; 18.12.68; 12.12.73; 27.6.74.</td>
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<tr>
<td>D.C. mins</td>
<td>Minute of Meeting of Ross and Cromarty District Council, 22.4.75.</td>
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<td>Minute of Meeting of Ross and Cromarty District Council Housing Committee, 21.1.75.</td>
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<td>P&amp;D mins</td>
<td>Minute of Meeting of Ross and Cromarty County Council Planning Committee, 17.11.68; 16.5.72; 30.5.72; 3.7.72; 8.8.72; 16.10.72; 14.12.72; 7.1.74; 27.7.73; 29.3.74; 5.12.74.</td>
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<td>P&amp;W mins</td>
<td>Minute of Meeting of Ross and Cromarty County Council Property and Works Committee, 9.3.72; 1.12.72; 26.7.73; 29.3.74.</td>
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<td>CPO, 14.11.68</td>
<td>Report of County Planning Officer to Ross and Cromarty County Council, 14.11.68.</td>
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<td>CPO, 1974</td>
<td>Planning Application by Cromarty Petroleum Company for the Establishment of an Oil Refinery and Associated Processes at Nigg - Impact Study; County Planning Officer, George Pease.</td>
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<td>R&amp;CCC, 1974</td>
<td>County Development Plan of the County of Ross and Cromarty, Written Transcript.</td>
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<td>Amendment</td>
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<td>Written Transcript of Report of Proceedings at Public Inquiry into Amendment No.3 to the County Development Plan (Ross and Cromarty).</td>
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<td>Munro, Report, 29.5.68</td>
<td>Report to the Secretary of State for Scotland (Scottish Development Department, Town and Country Planning (Scotland) Acts 1947 - 1966, County of Ross and Cromarty Development Plan, Amendment No.3 (1967), Industrial and Housing Estates, Invergordon and Alness Areas). W. Munro, Q.C.</td>
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<td>Report to the Secretary of State for Scotland (Scottish Development Department, Town and Country Planning (Scotland) Acts 1947-1966, County of Ross and Cromarty Development Plan, Amendment No.6), F.W.F. O'Brien, Q.C.</td>
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<td>Fiddes, 22.10.72</td>
<td>Report to the Secretary of State for Scotland (Scottish Development Department, Town and Country Planning (Scotland) Acts, County of Ross and Cromarty Development Plan, Proposed Amendment No.7), J.R. Fiddes, 22.19.72.</td>
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<td>Maycock, 20.2.74</td>
<td>Report to the Secretary of State for Scotland (Scottish Development Depart-</td>
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PI ref. - Report of Proceedings at Public Inquiry into Proposed Oil Refinery; Oil Storage Facilities and Marine Terminal Facility at Nigg Point; Easter Ross, G.W. Maycock, 17.12.75.

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7. **Personal Interviews**

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Durham, 3.7.78 - Lt Commander P.E. Durham and Mrs J. Durham.
Forsyth, 17.7.78 - Mr J. and Miss J. Forsyth, Balintraid Farm.
Forsyth, 18.7.78 - Mr R. Forsyth, Scottish Council (Development and Industry).
Powlie, 18.10.78 - Mr W.S. Powlie, Convener, Ross and Cromarty District Council.
Gillies, 13.9.77 - Mr W.A. Gillies, Director of Housing, Ross and Cromarty District Council.
Greaves, 27.10.77 - Mr M. Greaves, Highland Regional Council Planning Department (formerly of Ross and Cromarty County Council).
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McIndoe, 16.8.78 - Mr A.T. McIndoe, Formerly Chief Regional Planner in Scotland - spoke for the Objectors during public inquiries held in Easter Ross.
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