

## **BUSINESS RESPONSE**

There are as many interpretations of what in the Budget is "good for the country" as there are groups expressing their views. Hardly surprising - nobody wants to lose out. And every group likes to feel that what is bad for it, is bad for the country.

Tom Clinton, the President of the I.F.A., finds the 5% P.R.S.I. to be levied on the farmers in 1990 as "unacceptable to my association". The C.I.I. (Confederation of Irish Industry) finds that "the overriding requirement by which ... (the) Budget should be judged is the commitment to reduce exchequer borrowing by a further 2% of GNP this year". This *could* pave the way for greater investment in Irish industry, since interest on borrowed capital *may* be lower. The F.U.E. (Federated Union of Employers) welcomes the honouring of the pay-policy agreed in the Programme for National Recovery, and finds the extra £5m levied on the Banks "not in conformity with the stated intention of encouraging the development of the financial services sector". The C.I.F. (Construction Industry Federation) claims that the beneficial measures of the Budget

would not offset the huge £226m cut in the public capital programme.

In a world of competing and apparently mutually excluding claims, there is the attempt by some interest groups to equate their particular claims with the national interest. For example, the C.I.I. claims that "investment in industry leads to higher output which, in turn, leads to higher employment throughout the economy". True, investment in industry *can* lead to higher employment *in Ireland*, but only, in the first place, if this investment is made in Ireland. The "black hole" - the unaccounted-for export of Irish capital, which attracted so much attention not too long ago - seems to be ignored.

What does all this add up to? Just as each of us tends to judge the details of the budget in terms of "what's in it for me?", so too the interest groups judge it in similar terms. Politics is, of its nature, conflictual. Changes in the economy, which will benefit the less well-off, will not come about by pious aspirations; such changes will only be seriously on the agenda of the budget when the unemployed and social welfare claimants represent as strong a lobby as the other interest groups. ●