

THE INSIDERS

Retreat: The Labour Party and the Public Corporations

dive Jenkins

The force with which the Labour Party's National Executive Committee is patting the nationalised industries on the back may take their breath away. Its draft policy statement *Public Enterprise* begins its Conclusion¹ with a swift and blinkered backward look at the trade union and Party attitude towards them over the past few years.

It says: "We began our study of the nationalised industries, knowing that, despite a fine record of achievement especially on the technical side, they were the subject of criticism even among convinced socialists, particularly as regards their relationship with Parliament, their employees and consumers. . . . We considered that, if serious mistakes had been made when the transfer to public ownership took place, it was imperative that they should be recognised and corrected as soon as possible."

This statement unwittingly bares the political weaknesses which have degraded *Public Enterprise* into a flabby, unconvincing advertisement for the managerial skills of the full-time public Corporation controllers.

For it is the "convinced socialists" who are *most* critical of the nationalised industries—and the most disappointed. They, who have raised these issues year after year at Trade Union annual conferences, will be least satisfied with the sweeping opinion that "Having completed our inquiry we must state categorically that in our opinion these criticisms are by no means well founded, but are based for the most part on misunderstanding."²

Such dangerous complacency will also be unacceptable to many trade union officers closely associated with the publicly owned industries who have been levelling specific charges for the past 6 years.

For it has led to a 30-point "Summary of Conclusions."³ of staggering triviality.

The principal set of critical theses consistently advanced since the first years of nationalisation by the trade unions and constituency Labour Parties have been these:

- compensation was excessive and has imposed crushing interest burdens on the Corporations
- representatives of great firms, banks and insurance companies allied to persons of a similar class background dominate the Boards
- workers' participation in management and control is stillborn.

What has been the attitude of the National Executive's drafting committee to these broadly-held views?

Compensation

Public Enterprise asserts: "The reasons for paying compensation are well known. To refuse to pay it would be grossly unfair. For it would mean penalising a particular class of property owners because they happen to have lent or invested money in one particular industry."** This argument has a certain logic but it ignores the fact that *excessive* compensation was paid; assets of about-to-be-nationalised industries were over-valued.

It also neglects to add that the *way* nationalisation was effected materially contributed to the convalescence and return to health of an ailing free-enterprise economy. The compensation arrangements are extremely complicated and incapable of being dismissed with "Compensation was assessed in various ways, usually on the basis of Stock Exchange prices of shares in the former privately owned companies on certain dates. The Treasury issued guaranteed stock on which the industries pay the annual interest."⁵

The facts are these.

The nationalised industries have to treat compensation as a capital sum on which they pay annual interest. But they also have to pay it off *completely* within a certain term of years (50 for Coal and 90 for Gas, Electricity and Transport). This interest is a fixed charge and incapable of variation by a Corporation Board.

This places them in a much less manoeuvrable position than a public company which can decide its dividend on the basis of its trading results. As the Corporations do not possess equity capital they, in effect, are always paying a compulsory dividend.

It is well known that the three railway unions have long been keenly interested in the financial structure and compensation arrangements of the British Transport Commission. They even invited Mr. Harold Wilson to consult with them and report on the problem.

Under the circumstances, a discussion of this important question is especially remarkable for its omission by the authors. For it has been long suggested that the creation of equity capital on which a dividend could be returned to the Government is one of the solutions. Even if this were not thought to be the most appropriate, the issue should surely be *discussed* in *Public Enterprise* (which provides no data and a total of only 163 words for the whole matter).

It also ignores the question of bank overdrafts. It is not generally known that the Public Boards frequently have had over £100 million on loan from the Big Four joint stock banks in the last few years. This has led to curious anomalies. The British Overseas Airways Corporation used to raise capital with Ministerial approval by issuing stock.⁶ This stock never reached the market, but was automatically taken up by the National Debt Commissioners. But BOAC were only allowed to do this when they needed capital in large amounts (say £20,000,000 at a time). In the interim they were instructed to run up an overdraft at a named bank to a limit of £10,000,000 on which they paid the normal bank rate—although the interest to be paid when the Minister approved their stock issue was considerably less. "Money for old rope for the bank," a BOAC financial technician told me, "at the rate of a few hundred thousand a year when we reach the upper limits."

Coal compensation, too, has its curious features. The draft statement does not comment on the fact that it was *not* on the basis of Stock Exchange prices. The huge entrenched combines in the coal-mining industry did better than this.

Their Mining Association got the Labour Government to agree that the collieries should be valued by a Tribunal of two

judges and an accountant. They were told to assess them, on the basis of a hypothetical sale by a willing seller to a willing buyer, taking into account:

- (a) future net annual revenue if not nationalised
- (b) number of years purchase to be applied to this.

This, of course, was an extremely favourable basis of sale for the coal-owners. Their collieries were in many cases urgently needing maintenance and new equipment. Some were in sight of being worked out; others were quite uneconomic. And, above all, industrial relations were fundamentally unsatisfactory.

The Tribunal surprised them with its handsome total of £164,660,000. They did not explain how they arrived at it.

A central allocation board then divided this up among districts, who valued the collieries there and fitted them into the sum set for the district.

This may seem handsome. But if any coal-owner was dissatisfied he was given the right to use an elaborate Appeals machine—with his expenses met by the Ministry of Fuel and Power. If he also possessed ancillary undertakings (coke ovens, etc.) these were separately valued by the district boards and an Appeals procedure was also provided in this instance. It was heavily used—and the Ministry met the costs again.

The district boards were also given the job of valuing the miners' houses, etc., owned by the colliery companies who refused to accept the prices suggested. They put such pressure on the Labour Government that it took the job away from the district boards and appointed another tribunal.

The successful coal-owner-negotiators also managed to get compensated in *cash* as well as stock (not mentioned in *Public Enterprise*). This arose partly out of their claim that additional overhead costs would arise for some of them on the remaining parts of an enterprise where a portion only was nationalised. These were termed "severance payments." They also got cash for minerals, leases, stores, etc. (and capital expenditure incurred after August 1945).

The total cash compensation (up to March 1955) was £49,297,453.

The stock issued in respect of "severance" (3.5% 1977-8) at the end of 1955 amounted to £261,967.

In addition to this the National Coal Board assumed the liabilities of an earlier nationalising measure (by a Conservative Government in 1938), when coal *royalties* were nationalised. This was converted into 2.5% Treasury Stock to the total of £78,457,089.

This all adds up, so far, to about £380 million, made up in this way:

Coal Board Liabilities (end of 1955) ⁷	
Collieries (global sum)	164,660,000
Minerals:	
(a) Formerly Vested in Coal Commission..	78,457,089
(b) Other	2,443,109
Capital Outlay Refunds	16,675,242
Severance	689,137
Ancillaries (partly estimated)	90,405,082
Stocks of Products and Stores	34,635,625
	387,965,284
Less payments to Minister	17,257,601
	£370,707,683

These liabilities will *increase* still further for compensation continues to be negotiated. The latest settlements all carry

Capital investment in the Nationalised Industries

The latest figures for the Fuel and Power Industries were given (in answer to Mr. Ian Mikardo, M.P.) by the Paymaster-General, Mr. R. Maudling, on 4th March, 1957.

	Coal (a)		£ million Electricity (b)	Gas
1947	19			
1948	25	1948-49	95	
1949	31	1949-50	117	28
1950	29	1950-51	129	36
1951	32	1951-52	142	45
1952	49	1952-53	154	46
1953	64	1953-54	170	50
1954	85	1954-55	203	55
1955	93	1955-56	213	61
1956	96 (c)			

- (a) Excluding the Coal Industry Housing Association
- (b) Excluding South of Scotland Electricity Boards from 1st April, 1955
- (c) Provisional.

The Treasury's Information Division later summarised the position in its *Bulletin for Industry* published in April 1957 as follows:

"PUBLIC INVESTMENT

"The public sector comprises the nationalised fuel, power and transport industries, accounting for about 19 per cent of total gross fixed investment; the Central Government, 7 per cent; and local authorities, 18 per cent.

"Fuel, Power and Transport.—To help ease the pressure of home demand capital expenditure by the nationalised industries was in general reduced in 1956 below the levels originally planned. Expenditure by the National Coal Board, the Central Electricity Authority, the two Scottish Electricity Boards, the Gas Council, the British Transport Commission and the Air Corporations is estimated to have been about £537 m., an increase of £32 m. on 1955.

"This year the figure is expected to rise by considerably more than in 1956, by £106 m. to £643 m. Expenditure by the British Transport Commission shows the largest increase within the total; it is up by £43 m., largely because of the railway modernisation programme. The increase for the Central Electricity Authority is £24 m. to £233 m.; the latter figure includes £12 m. for the nuclear power stations at Bradwell in Essex and Berkeley in Gloucestershire."

This admits that the capital investment, large as it was, was less than that required to transform the nationalised industries into efficient and well-equipped concerns. It underlines the pre-nationalisation deficiencies and in so doing comments obliquely on the compensation prices paid.

Such a high rate of urgently needed capital investment is a significant index to the previous technical backwardness.

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British Transport Commission

Other Directorships held by Full-time and Part-time Commissioners*

Captain Sir IAN BOLTON BT., O.B.E.	McClelland, Ker & Co. (Chartered Accountants) Beckett & Anderson Ltd. British Polar Engines Ltd. Coltress Iron Co. Ltd. Hamilton & Kinnell, Estates, Ltd. loco Ltd. Newmains Brick Works Ltd. Scottish American Investment Trust Ltd. Scottish Widows Fund & Life Assurance Society
Lt.-Col. DONALD CAMERON OF LOCHIEL T.D., D.L., A.C.A.	David McBrayne Ltd. Royal Bank of Scotland Scottish Widows Fund & Life Assurance Society
F. A. POPE C.I.E.	John Bull Rubber Co.
Rt. Hon. Lord RUSHOLMEI	Nil
JOHN RYAN² C.B.E., M.C.	Metal Box Co. Ltd. (<i>Vice-Chairman</i>) L. Marx Cork Ltd. Federation of British Industries (<i>Grand Council</i>)
Sir JOHN BENSTEAD C.B.E. (<i>Deputy Chairman</i>)	Nil
¹ General Sir BRIAN ROBERTSON G.C.B., G.B.E., K.C.M.G., K.C.V.O., D.S.O., M.C. T. H. SUMMERSON^{3,4} J.p.	Nil Vice-President of Association of British Chambers of Commerce B.S.F.A. Holdings Ltd. (<i>Chairman</i>) Copelaw Engineering Co. Ltd. (<i>Chairman</i>) Print for Industry Ltd. (<i>Chairman</i>) Seamer Hill Farm Ltd. (<i>Chairman and Joint Manager</i>) Summersons Holdings Ltd. (<i>Chairman and Joint Manager</i>) Summersons Foundries Ltd. (<i>Chairman and Joint Manager</i>) Thomas Summersons & Sons Ltd. (<i>Chairman and Joint Manager</i>) Wear Sands Ltd. (<i>Chairman</i>)
J. C. L. TRAIN C.B.E., M.C., M.I.C.E.	Nil
A. B. B. VALENTINES	Nil
J. W. WATKINS C.V.O., D.S.O., M.C.	Hemel Hempstead Development Corporation (<i>Vice-Chairman</i>)
H. P. BARKER M.I.E.E., M.I.G.A.S.E., M.I.N.S.T.T., M.I.M.E.C.H.E.	Parkinson & Cowan Ltd. (<i>Chairman and Managing Director</i>) Gas Meter Co. Ltd. Measurement Ltd. Metropolitan Leather Co. Ltd. Monitor Engineering & Oil Appliances Ltd. Parkinson & Cowan Group Exports Ltd. Parkinson Stove Co. Ltd.
Sir CECIL M. WEIR M.C.M.G., K.B.E., M.C., D.L.	Schrader, Mitchell & Weir British Enka Ltd. British Tabulating Machine Co. Ltd. (<i>Chairman</i>) Pyrene Co. Ltd.

* Excluding Directorships in B.T.C. Associated and Subsidiary Companies. All information from Directory of Directors (June, 1956) and "Public Boards—List of Members of Public Boards of a Commercial Character as at 1st November, 1956" (Cmnd. 43).

¹ Also a Member of London Midland Area (Railways) Board. ⁴ Also a Member of the Independent Television Authority.

² Also a Member of Western Area (Railways) Board.

⁵ Also a Member of the Southern Area (Railways) Board.

³ Also Chairman of North-East Area (Railways) Board.

The total contribution made on this question is this:

"We believe that in general it is desirable to have some part-time members on the Boards—although here again there is no need to lay down a rigid rule, and care must always be taken that such appointments are essential.

"Part-time members, just because they are less closely engaged in day-to-day administration than full-time members, can contribute valuable advice and information from outside the industry. They should not be drawn solely from industry: experience of many other kinds can

be of value. The trade union and co-operative movements, the public services, academic life and the professions can all contribute effective part-time members."

The draughtsmen of this section clearly possess an enviable political purity. It would be difficult to imagine from their opinion that mutually antagonistic classes still persist in society. Still less that representatives of enormous private interests would be sufficiently ignoble to permit their holdings to influence judgements made when serving on a public body.

It seems satisfied, too, with the fact that out of 272 full-

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Southern Area (Railways) Board

K. PRESTON	J. Stone & Co. (Holdings), (<i>Chairman and Managing Director</i>) Textile Machinery Makers Ltd. (<i>Chairman</i>) Platt Bros. & Co. (Holdings), (<i>Chairman</i>) Platt Bros. & Co. (Sales) Midland Bank Ltd. Tweedales & Smalley (1920) Ltd. W. & T. Avery Ltd. Henry Pooley & Sons Ltd. Prince Smith & Stells Ltd. British Shareholders Trust Phillip Hill Investment Trust Ltd. Taylor, Wordsworth & Co. Ltd.
A. B. VALENTINE	(<i>British Transport Commissioner</i>)
H. L. R. MATTHEWS C.B.E., F.A.I.	Lloyds Bank Ltd. Abbey National Building Society Beacon Insurance Co. Sea Insurance Co. Manor Developments Crosse & Blackwell (Holdings) Ltd. (<i>Vice-Chairman</i>)
Sir PHILIP WARTER (<i>Chairman</i>)	Enfield Cables Ltd. (<i>Chairman</i>) Associated British Picture Corporation Ltd. (<i>Chairman</i>) Associated British Properties Ltd. (<i>Chairman</i>) Union Cinemas Ltd. (<i>Chairman</i>) Blackpool Entertainments (1920) Ltd. (<i>Chairman</i>) Associated British Cinemas Ltd. (<i>Chairman</i>) British & Foreign Wharf Co. Ltd. (<i>Managing Director</i>) Clarks Cereal Products Ltd. (<i>Managing Director</i>) Cambridge Holdings Ltd. Elite Picture Theatre (Nottingham) Ltd.
H. F. B. ILES M.A., J.P.	Caterpillar Ride Operators Ltd. (<i>Chairman and Managing Director</i>) Southern Caterpillar Operators (<i>Chairman and Managing Director</i>) Provincial Caterpillar Operators (<i>Chairman and Managing Director</i>) Artona Music Rolls Ltd. Dumpton (Thanet) Greyhounds Ltd. Margate Estates Co. Ltd. Model Villages Ltd. R. Smith & Co. (Belle Vue Manchester) Ltd. (<i>Chairman</i>) Bandsmen's Press Ltd. Bellevue (Manchester) Ltd. (<i>Chairman</i>)
J. E. BEMKS	Nil
J. McNAUGHTEN SIDEY D.S.O.	Anglo-Oriasis Transport Co. Ltd.

*NOTE.—All information derives from *Directory of Directors* (June, 1956), "Public Boards—List of Members of Public Boards of a Commercial Character as at 1st November, 1956" (Cmnd. 43) and the Labour Research Department's "Fact Service."

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time and part-time Board members only 47, or 17%, are derived from or possess close links with the trade union, co-operative, or Labour movements (embracing more than 12,000,000 people), as compared with the 39% drawn from the nation's company directors.

This grotesquely unbalanced state of affairs is seen to be much worse when the other categories in the table (p. 22) are analysed.

There are 5 Regular officers¹⁶, 9 landowners and 71 technicians or professional managers. It might be thought reasonable that the Regular officers (with the exception made) and the landowners would see eye-to-eye with the company directors on basic social and political questions.

The position of the managers is alleged to be more blurred. However, most of them were highly-paid employees of the

British Transport Commission

Scottish Area (Railways) Board*

Lord BILSLAND K.T., M.C., D.L., LL.D.	Bilsland Bros. Ltd. (<i>Chairman</i>) Bilsland Holdings Ltd. (<i>Chairman</i>) Union Bank of Scotland (<i>Chairman</i>) Scottish Industrial Estates Ltd. (<i>Chairman</i>) Glasgow Industrial Finance (Development) Ltd. (<i>Chairman</i>) Glasgow Stockholders Trust Colvilles Ltd. John Brown & Co. Ltd. Burmah Oil Co. Ltd. Bank of Scotland Ltd. Scottish Amicable Life Assurance Society Ltd. Scottish National Trust Co. Ltd. Second Scottish National Trust Co. Ltd. Third Scottish National Trust Co. Ltd. Building Centre (Scotland) Ltd.
Councillor P. J. MELDRUM ¹	Nil
Sir J. C. DENHOLM	J. & J. Denholm Ltd.
Sir IAN BOLTON ² BT., O.B.E. (<i>Chairman</i>)	(<i>British Transport Commissioner</i>)
Sir HUGH ROSE	Bank of Scotland Ltd. Union Bank of Scotland Ltd. Alex Cowan & Sons Ltd. A. B. Fleming (Holdings) Ltd. Melville Trust (<i>Chairman</i>) Scottish Provident Institution (<i>Chairman</i>) Securities Trust of Scotland Ltd. (<i>Chairman</i>) Second Securities Trust of Scotland Ltd. (<i>Chairman</i>)
D. H. CAMERON OF LOCHIEL ³	(<i>British Transport Commissioner</i>)
W. G. N. WALKER	Jute Industries Ltd. (<i>Chairman and Joint Managing Director</i>) Jute Industries (New York) Ltd. (<i>President</i>) Thomas Taylor & Co. Ltd. (<i>Chairman</i>) Dundee, Perth & London Shipping Co. Ltd. V. A. Cappen (Tugs) Ltd. Camperdown Trust Co. Ltd. First Scottish American Trust Co. Ltd. Northern American Trust Co. Ltd. Sandeman Stanley Cotton Belting Co. Ltd. Andrew Gray Ltd. John Lowson, Jun., & Co. Ltd. (<i>Chairman</i>) Jute Industries & Exports Ltd. (<i>Chairman</i>) Michael Nairns Co. Ltd. Sanderson Stanley Cotton Belting Co. Ltd. Second Scottish American Trust Co. Ltd. Third Scottish American Trust Co. Ltd.

*NOTE.—All information derives from *Directory of Directors* (June, 1956), "Public Boards—List of Members of Public Boards of a Commercial Character as at 1st November, 1956" (Cmnd. 43), and the Labour Research Department's "Fact Service."

¹ Ex-Trade Union Official, Deputy Chairman of Glasgow Corporation and Chairman of the Clyde Valley Regional Planning Advisory Committee.

² See *British Transport Commission table for directorships*. ³ See *British Transport Commission table for directorships*.

former owners or actually held directorships in the firms taken over, which might have tended to form their political views.

All are certainly highly paid now.

Many are full-time Board members receiving extremely large salaries¹⁷ (British Transport Commission: Chairman, £8,500, and four full-time members at £5,000; London Transport: Chairman, £7,000¹⁸, and four full-time members at £3,500; British European Airways: Chairman, £5,000¹⁹, Chief Executive, £5,000; British Overseas Airways: part-time Chairman, unpaid, but receives £1,000 in allowances), Deputy Chairman, £5,000, and two full-time members with unpublished salaries: one is the Managing Director and would receive in excess of £5,000; National Coal Board: Chairman, £7,500, and six full-time members at £5,000; Central Electricity Authority: Chairman, £8,500, and two Deputy Chairmen at £5,000, twelve Area Board Chairmen at £4,000 and twelve Area Board Deputy Chairmen at £3,500; Gas Council: Chairman, £6,000²⁰, Deputy Chairman, £5,000²¹, twelve Area Board Chairmen at £4,500²², twelve Deputy Chairmen at £3,500²³, and six full-time Area Board members at £3,000²⁴).

Ten of them receive salaries even higher than those published, which they were receiving prior to nationalisation and had safeguarded by the nationalisation Acts.

In addition to these salaries, allowances are payable amounting to a total of £50,000²⁵ annually for all the Boards mentioned.

The size of these figures should help to clarify the issue involved here.

These managers have become corporate-rich. Of course it might be advanced that their political thinking is untram-

elled by their personal well-being. This may even be true in individual instances. But, to put it at its lowest, these Board members will be unlikely to wish to see radical changes socially or industrially.

They will be fairly uniformly opposed to fundamental social change *within* the industry which they administer, unsympathetic to a sharing of their power with the employees of their Board and estimate themselves to benefit most (in a financial sense) from a Conservative Government.

When the majority of this group are allied socially and politically to the company directors, landowners and Regular officers on the Boards it will be seen that an enormous and stable majority exists to maintain and consolidate the industrial *status quo*. When, additionally, a General Election makes a Conservative Minister responsible for public industry it is obvious that the hope of the Labour movement that the public corporations would be a vehicle for the creation of industrial democracy, cannot be realised.

The retrogression now taking place might be expected from a free enterprise administration. But it is sobering to find that many of the company directors complained of were first appointed by Labour Ministers, and that this pattern of administration was a product of the first majority Labour Government. The difference in this matter of appointments is now only one of *degree*—not of *kind*.

Public Enterprise quotes approvingly from the Electricity Supply Enquiry Committee's report, which was headed by a man with 25 directorships²⁶, that "Board members received relatively low salaries." It goes on to comment:

"There is force in this argument. In order to get the best men in the nationalised industries, the salaries paid should not be markedly less than those for similar jobs in private business. But the industries must get the best men—men

British Transport Commission

North-East Area (Railways) Board*

P. D. PRIESTMAN	Priestman Bros. Ltd. Century Insurance Co. Ltd. Century Insurance Trust Ltd. Friends Provident & Century Life Office Ltd.
Dr. JAMES ARMIT	Tees-Side Conservancy Commission Tees-Side Chamber of Commerce
Sir JOHN BENSTEAD	<i>(British Transport Commissioner)</i>
J. H. SUMMERSON J.P. <i>(Chairman)</i>	<i>(British Transport Commissioner)</i>
Sir MARK HODGSON ² J.p.	Nil
G. H. KITSON O.B.E.	British Colour Printing Co. Ltd. <i>(Chairman)</i> Leeds Estates Co. Ltd. Cresswells Asbestos Co. Ltd. National Boiler Insurance Co. Ltd. W. H. Miers Ltd. Leeds Permanent Building Society Ltd. Theatre & Opera House, Leeds Ltd.

*NOTE.—All information derives from *Directory of Directors (June, 1956), "Public Boards—List of Members of Public Boards of a Commercial Character as at 1st November, 1956" (Cmnd. 43), and the Labour Research Department's "Fact Service."*

¹ Deputy Chairman of the Commission, temporarily serving as Area Board Member.

² Ex-President, Confederation of Engineering and Shipbuilding Unions, and ex-General Secretary of the United Society of Boilermakers, Shipbuilders and Structural Workers.

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of outstanding ability who have at heart the welfare of the community and of their own industries. Their leadership must provide a stimulus to management and workers alike."

This sort of banal "four-square for Mother, God and the Home" statement pays no attention to the fact that in many of the nationalised industries the workers don't know their Board or top managers. Or, more significantly, where they are conscious of them, they are actively distrusted. The term "best men" has too often been fitted to rich capitalist executives who are expert in financial questions, or retired civil servants.

Public Enterprise is soaked in the concept that if you can find non-political men of goodwill and high Christian endeavour (preferably Fabian trained) everything will go swimmingly.

Providing, of course, that they are highly paid enough to prevent desertions to the cosier campfires of private industry.

What it ignores is this: over the thirty years before its 1945 victory the Labour movement wanted more than just the removal of the *direct owners* from key industries. Socialists expected the worker to have industrial as well as political democracy, a voice in how his factory was run, a chance to be promoted on merit and some hand, through representatives, in shaping the long-run policy of his industry.

This ideal has not been realised.

What has happened?

Fragments of a promotion policy can be glimpsed²⁷ and "joint consultation" chatters its way along.

But what does the man on the broom-handle see if he looks up through the management of the publicly-owned organisation in which he keeps the shop clean?

Let us examine an old and a new industry, both in the same general line of business: British Railways as opposed to the civil airways corporations—BOAC and BEA. We start with a similarity. They both carry passengers. But while the railways have a heavy compensation burden, the airways have none. A second similarity is the huge gulf that exists

between the managing Boards and the workers who keep the wheels going round.

The British Transport Commission

This Commission is especially varied in its membership. It includes a General as Chairman²⁸, a member of the Grand Council of the Federation of British Industries²⁹, a director of a firm of locomotive manufacturers³⁰, a Vice-President of the Associated British Chambers of Commerce (who is also a member of the Independent Television Authority),³¹ a former Chief Commercial Manager of the L.M.S. Railway Company, and a former Chief Engineer of the L.N.E.R.

Six of its part-time Commissioners hold thirty-two commercial directorships between them (see British Transport Commission table, page 23).

Two of these gentlemen³², curiously enough, are directors of the same insurance company (Scottish Widows Fund and Life Assurance Society).

Another is a director of a company which makes railway plant and equipment³³

The Chairman himself is generally considered a professional soldier-administrator. This is not strictly correct. Sir Brian Robertson is the son of Field-Marshal Sir W. Robertson (who was voted £10,000 by a grateful House of Commons after the 1914-18 war). Although he made his career in the army he left it for 6 years from 1935. In that year he went to South Africa for the Dunlop Rubber Company as their Managing Director.

In this position he ran their near-monopoly activities there until returning to the army in the Second World War. His *Observer* "Profile" on 27th May, 1956, commented that only 4 out of 14 BTC members had any previous experience with railways. Sir Brian was the Deputy Military Governor of the Control Commission for Germany from 1945-7 and Commander-in-Chief and Military Governor from 1947-9. During this period (1946-9) the Economic Adviser to the Control Commission was Sir Cecil M. Weir. He is now a part-time member of the BTC.

British Transport Commission

Eastern Area (Railways) Board*

Sir EDMUND BACON	Lloyds Bank (<i>Chairman—Eastern Counties Committee</i>) Colville Estate Co. Ltd. (<i>Chairman</i>) Sandarsand Co. Ltd. British Sugar Corporation
A. F. PEGLER	Northern Rubber Co. Ltd. (<i>Vice-Chairman</i>) Festiniog Railways Co. Ltd. (<i>Chairman</i>)
J. B. PEILE	Turton Bros. & Matthews (Sheffield) Ltd.
Sir REGINALD WILSON (<i>Chairman</i>)	(<i>British Transport Commissioner</i>) Hemel Hempstead Development Corporation (<i>Vice-Chairman</i>)
JACK TANNER ¹	Industrial Research & Information Service Ltd. ² National Industrial Fuel Efficiency Service
H. U. WILLINK Q.C.	Cambridge University & Waterworks Co. Ltd.

*NOTE.—All information derives from *Directory of Directors* (June, 1956), *"Public Boards—List of Members of Public Boards of a Commercial Character as at 1st November, 1956"* (Cmnd. 43), and the *Labour Research Department's "Fact Service"*

¹ *Ex-President of the Amalgamated Engineering Union and ex-Chairman of the Trades Union Congress.*

² *A professional anti-Communist organisation.*

Public Enterprise rightly complains:

"The condition of the railways when they were transferred to public ownership in 1948 was deplorable. Most of the rolling stock, engines, permanent way and stations were in bad repair and obsolescent. The financial position of the companies was precarious and two were fast slipping into bankruptcy. Some of this was the legacy of the war. But the problem had emerged long before."³⁴

But it does not comment that the last Vice-President and another Director of the L.M.S. Railway both sit on the BTC.

Two of the Commissioners went to Harrow and another to Eton. Others had privileged education of one type or another.

Lt.-Col. Donald Cameron is also a grandson of the Duke of Montrose, while Captain Sir Ian Bolton is Her Majesty's Lieutenant for Stirlingshire.

The man-on-the-broomhandle may, by now, have formed the view that the British Transport Commission is not a typical or representative cross-section of British society.

The BTC supervises the work of the Area (Railways) Boards.³⁵ These were entirely the creation of a Conservative Government, which earlier abolished the separate Railways Executive. Their members are all part-time (except where full-time BTC members are serving on them).

British Transport Commission

Western Area (Railways) Board*

Captain HUGH VIVIAN*
M.I.MECH.E., M.I.M.M., M.I.LOCO.E., M.INST.M.

Beyer Peacock & Co. Ltd. (*President*)
Associated Electrical Industries Ltd.
Richard Garrett Engineering Works Ltd.
Christy & Co. Ltd.
Portals Ltd.
Lake George Mining Corporation
Kaduna Syndicate Ltd. (*Chairman*)
Kaduna Prospectors Ltd.
Paterson Engineering Co. Ltd.

R. F. HANKS²
M.I.MECH.E.

Morris Motors Ltd. (*Vice-Chairman*)
British Motor Corporation Ltd.

(*Chairman*)

Alderman F. A. PARISH

Bristol Dock Labour Board (*Chairman*)

Colonel Sir JOHN CAREW POLE
D.S.O., T.D.

Lloyds Bank (Devon & Cornwall Committee)

JOHN RYAN

(*British Transport Commissioner*)

ARTHUR CHAMBERLAIN
M.C., T.D.

Hercules Cycle & Motor Co. Ltd. (*Managing Director*)
Tube Investments Ltd.
Armstrong Cycles Ltd.
Brampton Fittings Ltd.
Hercules & Phillips Cycles (South Africa) Ltd.
J. A. Phillips & Co. Ltd.
Perfecta Tube Co. Ltd.
T. I. Cycles of India Ltd.
Walton & Brown
Lloyds Bank Ltd. (Birmingham Committee)
Aberdale Cycle Co. Ltd.
Hercules Cycle & Motor Co. Ltd.
Norman Cycles Ltd.

*NOTE.—All information derives from *Directory of Directors* (June, 1956), "Public Boards—List of Members of Public Boards of a Commercial Character as at 1st November, 1956" (Cmnd. 43), and the Labour Research Department's "Fact Service."

¹ Also a part-time Member of the South-West Divisional Coal Board.

² The first Chairman of this Area Board appointed on its creation in 1955 was Sir Herbert Merrett. His directorships included Powell Duffryn & Co. Ltd. (*Chairman*), Cory Bros. & Co. Ltd., Cambrian Wagon & Engineering Co. Ltd., Aadnesen & Dahl Ltd., British Briquettes Ltd., Coal & Shipping Exchange (Cardiff) Ltd., Cory Bros. & Co. Ltd. (Gibraltar), Cory Bros. & Co. Ltd. (Uruguay), Gueret Anglo-Uruguayan Coal Co. Ltd. (*Chairman*), Industrielle de Combustibles (Wales) Ltd. (*Chairman*), Ingram (Swansea) Ltd. (*Chairman*), Maris Export & Trading Co. Ltd. (*Chairman*), North's Navigation Collieries (1899) Ltd. (*Chairman*), Oran Coal Co. Ltd. (*Chairman*), Penrikyber Navigation Colliery Co. Ltd. (*Chairman*), Tredegar Associated Collieries & Shipping Co. Ltd. (*Chairman*), Pyman, Watson & Co. Ltd. (*Chairman*), Treharne & Davies Ltd., National Provincial Bank, Eagle Star Insurance Co. Ltd., Vacuum Oil Co., Condor Ltd., Cilely Collieries Ltd., Gibraltar Transporters Ltd., Millers & Corys Cape Verde Islands Ltd., Stephenson Clarke Ltd., Taff Merthyr Steam Coal Co. Ltd., Tractor & Engineering Co. Ltd.

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They include another 5 ex-railway company directors: Mr. R. F. Summers (ex-LMS Railway Co.) on the London Midland Area Board, Mr. H. U. Willink (ex-Southern Railway Co.) on the Eastern Area Board (he is Master of Magdalene College, Cambridge), Mr. G. H. Kitson (ex-LNE Railway Co.) on the North-Eastern Area Board, Lord Bilsland (ex-Scottish Committee of the LMS Railway Co.) on the Scottish Area Board, and Capt. Hugh Vivian (ex-Great Western Railway Co.) on the Western Area Board.

It will be seen that the wheel has gone full circle. The former directors have returned. Some to the seats in the boardrooms from which they were displaced by the nationalising Act.

They have since been reinforced and now form part of a group of 20 multi-company directors on Area Boards holding 127 positions in private enterprise firms between them. The directorships include such industrial giants as Colvilles Ltd.,³⁶ John Brown & Co.,³⁶ John Summers & Co.,³⁷ United Steel,³⁷ Associated Electrical Industries,³⁸ Morris Motors,³⁹ British

Motor Corporation Hercules Cycle & Motor Co.,⁴⁰ Tube Investments,⁴⁰ Enfield Cables,⁴¹ Associated British Pictures⁴¹ and Burmah Oil.⁴² In addition to these powerful manufacturing interests there are thirteen bank directorships to be seen, 12 substantial insurance directorships, two building societies, and 19 investment trusts.

The Scottish Board has two members who are both directors of the linked Union Bank of Scotland and the Bank of Scotland.⁴³

Another potentially unsatisfactory feature of these Boards is that the local major industrialist who sits on an Area Board will, quite inevitably, be primarily motivated by concern for his immediate industrial interests.

While it would not be proper to suggest that the appointed members would be unable correctly to resolve any clash between their public and private directorships, it is easy to see that conflicts of interest are capable of arising.

The announcements of the Area Board appointments

British Transport Commission

London Midland Area (Railways) Board*

R. F. SUMMERS
M.INST.T.

John Summers & Co. Ltd.
United Steel Co. Ltd.
Steetley Co. Ltd.
Shelton Iron & Steel & Coal Co. Ltd.
Coking Co. Ltd.
Castleun Firebrick Co. Ltd.
British Periclase Co. Ltd.
District Bank Ltd.
Royal Insurance Co. Ltd.
Liverpool & London & Globe Insurance Co. Ltd.
Steetley Magnesite Ltd.

P. T. HEADY*

Nil

Major-Gen. Sir JOHN KENNEDY
G.C., M.G., K.C.V.O., C.B., M.C.

Cowans, Sheldon & Co. Ltd. (*Chairman*)

Lord RUSHOLME

(*British Transport Commissioner*)

Sir FRANCIS GLYN
K.C.M.G.

Royal Bank of Scotland Ltd.
Bank of London & South America Ltd. (*Chairman*)
Glyn Mills & Co. Ltd. (*Chairman and Managing Director*)
Alliance Assurance Ltd. (*Chairman*)
Witan Investment Co. Ltd. (*Chairman*)
Greenfriar Investment Co. Ltd. (*Chairman*)
Lowland Investment Co. Ltd. (*Chairman*)

LEONARD COOKE

Vice-President, C.W.S.
Co-operative Insurance Society Ltd. (*Chairman*)
National Co-operative Chemists Ltd. (*Chairman*)
Travco Hotels Ltd.

Sir BASIL McFARLAND
BT., C.B.E., E.R.D., C.ST.J., H.M.L., A.D.C.

Londonderry & Lough Switney Railway Co. Ltd. (*Chairman*)
Belfast Banking Co. Ltd.
Alex Thompson & Co. Ltd.
John W. Corbett & Son
Londonderry Gaslight Co. Ltd.
R. C. Malseo & Co. Ltd.
Commercial Union Assurance Co. Ltd. (*Local Board*)
Lanes (Derry) Ltd. (*Chairman*)
Belfast Bank Executor & Trustee Co. Ltd.

*NOTE.—All information derives from *Directory of Directors (June, 1956), "Public Boards—List of Members of Public Boards of a Commercial Character as at 1st November, 1956" (Cmd. 43), and the Labour Research Department's "Fact Service."*

¹ Ex-General Secretary, Railway Clerks Association (now Transport Salaried Staffs Association).

caused the Trades Union Congress to complain of the lack of representatives from the organised workers.

This protest, welcome though it is, did not go to the heart of the question.

The Area Boards⁴⁴ (for whom there was no pressing need, little work, and less justification) have been so constituted as to give local industrialists and financiers a substantial (and majority) say on them. Even to the extent of re-appointing displaced directors.

The situation in the airways corporations is rather different.

British Overseas Airways Corporation

When in Opposition the Conservatives made it clear that they abhorred the monopoly of *scheduled* air services granted to the airways corporations by the Civil Aviation Acts.

After the 1951 General Election they cast around for ways and means of undermining it.

A method was devised from the Civil Aviation Act itself.

This empowered the corporations to "license" other British airline operators to fly scheduled services if for some reason they did not wish to carry out the work themselves. Mr. Lennox Boyd⁴⁵ decreed that the right to grant such "licences" or "Associate Agreements" should be taken from the corporations' Boards and given to the Air Transport Advisory Council. This was then functioning as a sort of consumers' council. It was rudely reconstructed and given a directive permitting it to consider free enterprise operators' applications for "Associate Agreements" on certain routes.

The airways corporations were also required to obtain its permission to open up new routes; this right had previously rested within their own commercial planning departments.

The success of this policy can be seen from the following table extracted from the Report of the Air Transport Advisory Council for the year ended 31st March, 1957.

Year	BOAC Passengers carried	BEAC Passengers carried	Independant Co Passengers carried ⁴⁶
1953-4	290,156	1,656,779	252,550
1954-5	281,373	1,874,316	360,686
1955-6	371,215	2,224,747	552,326
1956-7	410,992	2,461,065	733,069

N.B. The figures for 1956-7 are subject to final adjustment.

When the ATAC was re-manned to carry out the new Conservative policy, the Minister appointed Mr. Gerard d'Erlanger as a Member.⁴⁷ He continued in this capacity until 23rd July, 1954, when he filled the Deputy Chairman's post vacated by Lord Runciman. He remained in this position until 1st May, 1956, when Mr. Harold Watkinson appointed him to the chairmanship of BOAC.

This act was greeted with consternation by a large section of BO ACS employees. *The Times* for 2nd May, 1956, reported: "About 100 delegates, stated to represent more than 6,000 employees . . . held a meeting at London airport yesterday to protest against changes on the Board of the Coporation and the appointment of Mr. Gerard d'Erlanger as a part-time Chairman. The meeting passed a vote of no confidence in the appointment and it was agreed unanimously to organise the widest possible opposition to 'policies and appointments which do not serve the best interests of the nationalised airways corporations'."⁴⁸

The account went on to quote the text of an unanimous resolution which said, in part: "Because of his attitude to public ownership we view with extreme disquiet the appointment of a man who in the past has proved to be a failure in

a similar position with BEA. It will be recalled that he was removed with the support of the trade union side of the national joint council. A direct line of promotion exists within the Corporation, and there are competent staff better equipped to assume the position of Chairman. We therefore make it clear that we have neither confidence in the appointments nor in the Minister making them. . . ."⁴⁹

The object of their displeasure had aroused opposition from the unions while in BEA. As its Chairman during the formative years he was held responsible for shortcomings in its operations.

Mr. J. Matthews, secretary of the trade union side in the industry, summed up the feeling: "When he was Chairman of BEA we had considerable difficulties. At one stage he told us he did not think state airlines would ever be a success. We complained to the then Minister of Civil Aviation, Lord Pakenham. Later Mr. d'Erlanger was not re-appointed." . . . "And we feel there may be something in the fear that this appointment is the thin end of the wedge for handing BOAC to City financiers."so

It certainly seems undisputed that while Mr. d'Erlanger was at BEA " . . . staff morale, for various reasons, slumped to its lowest level in the history of the Corporation. There were frequent complaints about lack of consultation, arbitrary management methods, executive inefficiency and violation of trade union agreements."⁵¹

This led to the unions deciding in June 1948 to carry out an investigation to "ensure the success of the nationalised airlines, as it was realised that at a high level a 'square peg in a round hole' could do much to impair the efficiency of the corporations." . . . "Among other things the unions criticised staffing and the procedure on redundancy. They said 'In spite of the lessons which should have been learned by the management of BEA following the disastrous deterioration of staff morale in the spring of this year, due to the clumsy handling of redundancies declared at that time, it appears that the redundancies among the more senior posts which are now recommended by Production Engineering Ltd. are being handled with even more disregard to the spirit of the redundancy procedure agreement'."⁵²

Production Engineering Ltd. had already been in the news. When it was employed to advise BEA, "Crossbencher" commented in the *Sunday Express*:

"Who is Mr. Gerard John Regis d'Erlanger? He is the Chairman of British European Airways. . . . Now that he is Chairman, his Corporation is not costing the taxpayer any less. It is, in fact, costing more. The estimated loss on the year which ended on March 31 last is £3,750,000. Clearly something must be done. But to whom does Mr. d'Erlanger go for help? . . . Mr. d'Erlanger goes . . . to a private enterprise firm of business efficiency consultants which operates for private profit. Name of the company is Production Engineering Ltd., and on the board is Mr. Leo Frederic Alfred d'Erlanger, Chairman of Erlangers Ltd., City merchant bankers and a director of 13 other companies. He is a very capable man indeed. Mr. Gerard d'Erlanger and Mr. Leo d'Erlanger are cousins."

Following union statement, such as ". . . this intolerable burden of muddle and bad morale at Headquarters which is proving such a drag on the superhuman efforts of your operational staff (means) that the time has come when we can no longer leave this matter in the hands of the present

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British Overseas Airways Corporation

Directorships held by Full-time and Part-time Members of the Board*

H. L. NEWLANDS M.B.E.	Nil
J. W. BOOTH	Alfred Booth & Co. Ltd. (<i>Chairman</i>) Booth & Co. (England) Ltd. (<i>Chairman</i>) Manaos Harbour Ltd. Phoenix Assurance Co. Ltd. Pierhead Ltd. Unit Construction Co. Ltd.
Sir JOHN STEPHENSON C.B.E., J.P.	Eastern Gas Board (<i>Chairman</i>) Gas Council Prince Regent Tar Co. Ltd. Wholesale Coke Co. Ltd.
Sir FRANCIS BRAKE M.I.E.E.	Biro Swan Ltd. (<i>Chairman</i>) Creed & Co. Ltd. (<i>Chairman and Managing Director</i>) Fomento (Sterling Area) Ltd. International Marine Radio Co. Ltd. Milton Abbey School Ltd. Standard Telecommunications Laboratories Ltd. Standard Telephones & Cables Ltd.
B. SMALLPIECE B.COMM., A.C.A. (<i>Managing Director</i>)	Nil
J. G. R. d'ERLANGER C.B.E., A.C.A. (<i>Chairman</i>)	Erlangers Ltd. (<i>Vice-Chairman</i>) City & International Trust Ltd. (<i>Chairman</i>) E.B.E. Holdings (No. 1) Ltd. Forestral Land, Timber & Railways Co. Ltd. (<i>Chairman</i>) Forestral Provident Trust Co. General Consolidated Investment Trust Ltd. John Mackintosh & Sons Ltd. Pauling & Co. Ltd. Provident Mutual Life Assurance Association (<i>Vice-Chairman</i>) Richard Haworth & Co. (Holdings) Ltd. (<i>Chairman</i>)
Sir GEORGE CRIBBETT K.B.E., C.M.G. (<i>Deputy Chairman</i>)	Nil
Lord TWEEDSMUIR O.B.E., LL.D.	British Steamship Co. Ltd. County Fire Office Ltd. (<i>Deputy Chairman</i>) Dalgety & Co. Ltd. Geographical Magazine Ltd. Hecht, Levis & Kahn Ltd. National Provident Institution for Mutual Life Assurance
Lord RENNELL OF RODD K.B.E., C.B.	Morgan, Grenfell & Co. (<i>a Managing Director</i>) Air Finance Ltd. Anglo-Australian Corporation (Pty) Ltd. National Bank of Australasia (<i>London Board</i>) Planet Assurance Co. Ltd. Sun Insurance Office Ltd. (<i>Vice-Chairman</i>) Sun Life Assurance Society (<i>Vice-Chairman</i>)
Major J. R. McCRINDLE C.M.G., O.B.E., M.C.	Nil

* Excluding Directorships in B.O.A.C. associated or subsidiary companies. All information from *Directory of Directors (June, 1956)* and *"Public Boards. List of Members of Public Boards of a Commercial Character as at 1st November, 1956"* (Cmnd. 43).

management of BE A. . . ." Lord Pakenham asked Lord Douglas of Kirtleside to inquire into the situation. Speaking of the result in the House of Lords on 15th May, 1956, *The Times* reported Lord Pakenham as saying: "It fell to his lot to inform Mr. d'Erlanger in 1949 that it would not be possible to re-appoint him when his time came to an end a few months later. In those circumstances he understandably preferred to resign forthwith."

In the light of this previous history the decision to put at the head of BOAC a man described by Mr. Beverley Baxter as a Tory⁵³ was a curious one. At the same time, Lord Burghley (who had been on the Board for ten years and was chairman of its technical committee) was not re-appointed. It was generally thought that he was no respecter of Mr. Watkinson's views.

When the deputy chairman of BOAC heard the news of the appointments (Mr. d'Erlanger—plus Sir George Cribbett from the Ministry to be full-time deputy chairman in addition to himself) he promptly resigned because "he did not feel it was a workable organisation."⁵⁴ He was subsequently persuaded to re-join.

A previous link had existed between him and the new chairman. They were both directors of Air Finance Ltd., of which Mr. d'Erlanger was chairman until going to BOAC. This company exists to finance the overseas sale of aircraft and is backed by all the principal aircraft manufacturers. Mr. d'Erlanger's place was filled by another director from the d'Erlanger family bank.

In the Commons debate on "Colonial Coach Services" on 22nd July, 1957, Mr. Ian Mikardo, M.P., criticised the Government's intention to allocate 30% of traffic on the East and West Africa routes to the Airwork and Hunting-Clan private airlines, and made this comment:

"Hon. Members may wonder why the workers in the industry were so suspicious, as it now turns out so rightly suspicious. Perhaps it was because some of them noticed that the Minister had chosen to recruit his new Chairman from the board of a company which finances the purchase of aircraft by private operators, including foreign operators, and which had another director of BOAC on its board. Some may have noticed that while the new Chairman resigned from the board of this finance company on his appointment to BOAC his place was taken by a fellow-director of d'Erlanger's. Some may know that among the shareholders of this finance company are two of the Hunting group of companies to which some of BOAC's African traffic has now been transferred.

"I state these facts baldly and without imputing motive, and, indeed, without comment except to say that if this sort of thing had been done by a Minister in a Labour Government and in support of a supporter of a Labour Government an immeasurable furore would have been let loose on the Conservative side and in the public Press."⁵⁵

Mr. d'Erlanger has certainly survived in civil aviation for many years. In 1934 he was a director of Hillman Airways. When it merged with others to form British Airways he became a leading figure in the new company. A fellow-director was Mr. J. R. McCrindle,⁵⁶ who is now on BOAC's Board. Another was Mr. Ernest H. Murrant of the Furness, Withy shipping company, which, for the past few years, has been backing Airwork.

During Mr. d'Erlanger's spell on the ATAC a co-deliberator was Lord Runciman, who is chairman of his family shipping concern, director of Lloyds Bank and the P. and O. Line, together with many others. P. and O. has a big stake in

British Aviation Services, which controls a mixed bag of important and aggressive private airline operators (Silver City, Air-Kruise, Aquila, Ferryports, etc.). Lord Runciman (who resigned his membership of the ATAC on 23rd July, 1954, but was then, with the approval of the Minister, made an Assessor for some months before finally departing) also sits on the board of Production Engineering Ltd. with Mr. Leo d'Erlanger.⁵⁷

These connections, old and new, are detailed in order to establish one main point. Not that any of the persons involved are improperly motivated, but that their links and interlocks are the same whether they are on a public board or acting as directors of a conventional commercial enterprise.

The critical issue in civil aviation is this. Will the major shipping companies, losing passenger traffic steadily from their steamships to the airliners, succeed into smashing their way into a field of transport set aside by the 1945 Labour Government for the public airways corporations?

With active help from the Conservative Party they have been putting capital into the biggest of the private enterprise operators. Airwork is backed by Furness, Withy and the Blue Star Line, Hunting is partnered by the Clan Line, and British Aviation Services is financed by P. and O.

Shipping organisations also have directors within BOAC.⁵⁸ Mr. J. W. Booth's family has long been associated with sea trade and Lord Tweedsmuir is connected with the British Steamship Company. An ATAC member, too, serves on the Boards of several shipping companies.⁵⁹ The influence of such a body of shipping thought may well be critical. Its existence is not unknown to the staff of the industry.

At the height of the controversy over the Ministerial proposal to retain 30% of the West and East African traffics (plus a mail contract) for two independent companies, a 5,000-strong trade union meeting at London Airport carried a resolution (with 2 against) which protested against "the dismemberment of this Corporation and the artificial division of its traffic for the benefit of private operators." It added that the majority on the BOAC Board which had "meekly agreed" to the plan could no longer be accepted as acting in the best interests of the Corporation.

The imposition of conservative policies and appointees has now led to an open breach between the Board and the great majority of its staff.

This major development is ignored by *Public Enterprise* which, busily chronicling apparently imposing airline growth statistics, fails to note that BOAC is not holding its share of the mounting world traffics—although it records that BEA is in that happy position.⁶⁰

The present situation can be summed up simply: "For the first time in air transport an arrogant Conservative majority can be identified."⁶¹

By avoiding a discussion of this problem the party's policy drafters do a disservice to the whole movement. If, as suggested, mistakes were made in the original composition of the Boards would it not be sounder to say so now? And so avoid further errors?

After all, the investigating committee must have known of the tensions existing.

A wry *Daily Mail* cartoon on 24th April, 1956, showed Mr. Harold Watkinson pasting up a poster which proclaimed "B.O.A.C. Attention: Civil Servants, Part-time Businessmen, British Aircraft Manufacturers. B.O.A.C. Takes Good Care of You."

But not an analytical word from *Public Enterprise* about

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British European Airways Corporation

Directorships held by Full-time and Part-time Members of the Board*

A. C. PING M.INST.T.	Nil
Sir JOHN KEELING (Deputy Chairman)	London & Yorkshire Trust Ltd. (<i>Chairman</i>) Bowater Paper Corporation (<i>Vice-Chairman</i>) Bowater Corporation of North America Ltd. Henry Mason (Shipley) Ltd. Holland and Hannen and Cubitts Ltd. (<i>Vice-Chairman</i>) Hugh Norcross Corporation Ltd. (<i>Canada</i>) Ritz Carlton Hotel Company of Montreal Ltd. Safeguard Industrial Investments Ltd. (<i>Chairman</i>) West Riding Worsted & Woollen Mills Ltd. (<i>Chairman</i>) B. Priestly & Co. Inc. Bradford Hosiery Yarn Spinning Co. Ltd. Cleckheaton Combers Ltd. E. Wadsworth & Sons Ltd. J. J. L. & C. Peate (Guiseley) Ltd. John D. Johnstone Ltd. John Murgatroyd & Son Ltd. O. B. Lister & Bros. Succors. Ltd. Priestleys Ltd. Thomas Burnley & Sons Ltd. Thomas Hey & Shaw Ltd. W. C. Forrest & Co. Ltd. Wade & Glyde Ltd. Weston Foods Ltd.
A. H. MILLWARD O.B.E., B.A. (Chief Executive)	Nil
Sir A. OVERTON M.C.M.G., M.C. Marshal of R.A.F.	British Lion Films Ltd.
Lord DOUGLAS OF KIRTLESIDE G.C.B., M.C, D.F.C. (Chairman)	Nil
Rt. Hon. Lord BALFOUR OF INCHYRE P.C., M.C, T.D.	Consolidated Mines Selection Co. Ltd. Daggafontein Mines Ltd. (<i>London Committee</i>) New Era Consolidated Ltd. (<i>London Committee</i>) West Rand Investment Trust Ltd. (<i>London Committee</i>) Western Holdings Ltd. (<i>London Committee</i>) Western Reefs Exploration & Development Co. Ltd. (<i>London Committee</i>) South African Land & Exploration Co. Ltd.
W. A. EDMENSON C.B.E.	Belfast Bank Executor & Trustee Co. Ltd. Belfast Banking Co. Ltd. Belfast Harbour Board British & Continental Steamship Co. Ltd. Chamber of Shipping (<i>Council</i>) Clyde Shipping Co. Ltd. G. Heyn & Sons (<i>Chairman and Managing Director</i>) Gallaher Ltd. Irish Lights Commissioner Irish Shipping Agency Mountain Steamship Co. Ltd. (<i>Chairman</i>) North Continental Shipping Co. Ltd. Shipping Investments (Ulster) Ltd. (<i>Chairman</i>) Ulster Marine Insurance Co. Ltd. (<i>Chairman</i>) Ulster Transport Authority
S. K. DA VIES C.B.E.	George Elliott & Co. Ltd. (<i>Chairman</i>) Bridgwater Wire Rope Works Ltd. Law Union & Rock Insurance Co. Ltd. (<i>Local Board</i>) Somerset Wire Co. Ltd. Terrells Wire Ropes Ltd.
Sir PATRICK DOLLAN D.L., LL.D., J.P.	East Kilbride Development Corporation (<i>Chairman</i>) National Industrial Fuel Efficiency Service

* Excluding directorships in B.E.A.C. associated or subsidiary companies. All information from Directory of Directors (June, 1956) and "Public Boards. List of Members of Public Boards of a Commercial Character as at 1st November, 1956." (Cmnd. 43).

the internal loss of confidence on BOAC.

Meanwhile, BEA has been having difficulties, too.

British European Airways Corporation

The effects of the Government's policy (urged on by the independents lobby—including Tory M.P.s who are directors of airlines) have been even more marked in BEA. The decisions of the ATAC enabled the private concerns last year to carry more passengers on the profitable London-Palma route than BEA and Iberian Airways put together. In 1956 BEA had a revenue loss of about £350,000 to the shipping-backed "independents" on the Spanish, Swiss and North Italian routes alone. This does not seem to have caused any collective excitement on BEA's Board, although the Chairman made it his business to go along to the ATAC62 and protest at the trend of the decisions.

Some of these have been extremely curious. For example, BEA operates a service through Manchester and Birmingham to Dusseldorf, also to Paris (winter only), and Zurich. It maintains a permanent staff for this purpose at the stations concerned. Yet the ATAC gave the Birmingham-Palma traffic rights to a private firm. When BEA applied for permission to fly Manchester-Nice it was refused in favour of a private competitor. This firm then failed to get approval from the French authorities to fly there. So BEA applied again, was refused again and no one flew the route. The Manchester passengers are still flown via London.

This is not the worst instance. BEA has always taken Frankfurt-bound passengers from Manchester via London, picking up other travellers in London until the time came when full aircraft could fly direct from Manchester. A private company disturbed this economical route patterning by jumping the gun with an application to the ATAC to be allowed to fly *direct* from Manchester to Frankfurt. It was granted, with the consequence that two operators would now be flying out of Manchester to Frankfurt—both too lightly laden and probably making a loss.

It turned out to be even worse. The West German Federal Republic's airline Deutschflugthansa decided to match the competition with a direct service also. This meant that the West German giant would be taking on the small British organisation with the magnificently equipped British national flag-carrier not permitted to join in the fight.

In the event it was worse still. The British free enterpriser decided not to fly after all; BEA stayed disqualified and Deutschflugthansa had the route to itself.

BEA's Board has 3 major industrialists upon it (see BEA table on p. 33), who hold 45 directorships between them, including posts in such dominating firms as the Bowater Paper Corporation, Holland and Hannen and Cubitts, Weston Foods, Consolidated Mines Selection Co. (and associated mining interests), and Gallahers. As well as these, there are two financial trusts, two banks and two insurance companies, who also have a director in BEA.

The Board's policy seems to have been to come to terms with the private operator; for years they under-charged them for services rendered at out-stations. Now they have gone further into formal association than BOAC. While both corporations have partnered local interests in various parts of the world to set up subsidiary companies, they had never done this within the United Kingdom (BOAC once dickered with Skyways over a stock-plus-cash deal when it was selling its Hermes, but the proposition, which included an offered seat on the Skyways Board, did not come off).

But recently BEA *has* taken such a step. It has sunk money into a competitor, Jersey Airlines, taken a seat on its Board and is assisting it to replace its aircraft (which will now be obtained more cheaply because the interest rate which BEA pays on its borrowed capital is much less than Jersey Airlines would have to meet in an aeroplanes hire-purchase arrangement with a manufacturer or finance house). As another part of the deal—which has been heavily criticised by the employees most closely concerned (and certain of the national trades unions), BEA has handed over to Jersey Airlines the operation of a mixed bag of generally profitable Channel Islands routes. On one occasion a BEA Board member incautiously admitted: "If we hadn't done something like this voluntarily, the Minister might have made us do something we would have liked less."

Three of the BEA Board members sit as chairmen of their Regional Advisory Councils Civil Aviation (Wales, Scotland and Northern Ireland).

The Welsh Advisory Council Chairman, Mr. S. K. Davies has been associated with an independent airline company Cambrian Airways, since its formation in 1936. Its share register63 (Nominal Capital, £150,000 in five-shilling Ordinary and Preferred shares) lists three holdings by a Mr. S. K. Davies (8,000 Preference, 30,720 Ordinary and 11,280 Ordinary). Some other large Ordinary holdings are the Claymore Shipping Co. (60,000), John Cory and Sons (120,000) and Thomas Stone (Shipping) (32,000). Cambrian Airways operates certain services under Associate Agreements with BEA. Others are controlled by an Agreement of Co-ordination aimed at avoiding competition between the two organisations within the United Kingdom. This provides for BEA to afford traffic handling facilities at certain airports for Cambrian aircraft. Due to operation of the Agreement the fees paid for such services seem excessively low (in Manchester, for example). However, BEA say the overall arrangements are lucrative and to take certain stations only gives an incorrect impression.

Another Board member, Mr. W. A. Edmenson, who holds a great number of positions (see table on p. 33) is also a Council member of the Chamber of Shipping. But Sir John Keeling has a distinction unshared within nationalisation. His tenure of office is specified as "indefinite." Every other public director is appointed for a given period.

BEA also has a Conservative ex-Minister, Lord Balfour of Inchyre, who was Parliamentary Under-Secretary of State for Air from 1938-44. He was Conservative M.P. for the Isle of Thanet from 1929-45, and has been President of the Federated Chambers of Commerce of the British Empire from 1946-9.

These are the present controllers of British European Airways. They have reacted rather differently from BOAC to the problems which have faced them. But one point is uncontroversial: the class composition of the BEA Board is on all-fours with BOAC and the other public corporations.

And as such it is unrepresentative of the community. What of the man-on-the-broomhandle? At least some of these facts will be known to him and he may be convinced by now that it is not *much* different if he is working in a public or private environment.

How is his enthusiasm to be re-generated? How can he be enabled to participate in policy-making? Can executive power be diffused so far that he can feel, and, in some cases use it?

THE INSIDERS

If the Labour Party does not stand for this concept it will soon stand for nothing more than a civilised state capitalism manipulated in their own narrow interests by the economic controllers of the un-nationalised area.

Workers' participation in management

Between 1945-50 Joint Works Committees were given legal status in France, Germany, Finland, Austria, India, Pakistan and Holland. They are provided for in the agreements between central organisations of workers and employers in Norway, Sweden and Denmark, and are mentioned in the Italian constitution. In some cases they have the right to hire and fire. Sometimes they can demand financial information, and in the West German Federal Republic they have secured the right to appoint half the members of the supervisory boards in Steel and Coal, and one-third in other industries. They can also nominate one of the three members of the Management Board (usually the Labour director) in Coal and Steel. In Austria a Works Committee can appoint two members to a Board of Directors, and the French committees are represented in an advisory capacity.⁶⁴

These rights do not exist in British capitalist enterprises. And only at local levels do the public corporation workers have anything similar, although the practice varies enormously.

Public Enterprise dismisses the arguments for workers' representation on the Boards by dealing with the issue of union representation, and the old question of split loyalties for the union officer. It goes on to say:

"Two substitutes for workers' representation on the Boards were introduced into each of the nationalisation measures. First, a recognised qualification for Board membership was experience in the organisation of workers. Trade unionists appointed to Boards under this provision—though accepting these posts, meant severing their connections with the unions—have been able to bring to bear in the deliberations of the Boards their great experience of the workers' point of view. Secondly, machinery for joint consultation was set up in each industry."⁶⁵

This paragraph underlines the lack of homework done by its authors. They apparently did not know that some part-time members of Boards who were union officials did not relinquish their union offices. A Conservative Minister, for example, appointed a member of the TUC General Council to the London Transport Board and he stayed as General Secretary of his union.⁶⁶ Mr. Gavin Martin, General Secretary of the CSEU, was also a part-time member of the NCB for a number of years. It must not be thought that approval should be given this development. But it *has* happened, is significant, and should have been mentioned. *Public Enterprise* seems to be wholly enamoured of the joint consultative systems, viz.:

"Where it works well, joint consultation has undoubtedly given the workers a greater sense of responsibility and participation. It is salutary for both management and workers to realise the limits of their respective powers and their joint responsibility for preventing stoppages and maintaining good relations. The nationalised industries might well initiate research and pilot projects on new methods of worker-participation."⁶⁷

What concrete steps can be taken to dispel worker cynicism about, the Labour Party's desire rapidly to transform his industrial citizen status?

This follows an earlier opinion:

"There seems to be no doubt that the machinery is adequate and that it works well. At national and at regional level the consultation is real and effective, and a sense of partnership between union officials and senior management is developing. At the local level—colliery, workshop or station—excellent work is also done, though there are exceptions."

These views are hopelessly out of tune with those held by joint consultation practitioners within nationalisation.

Joint consultation does *not* shift the power to manage or decide questions from the local official-in-charge.

Co-determination does not exist in any way—except when a powerfully organised union group can inhibit executive acts by its militancy and is energetic and cohesive enough to advance its own alternatives.

Is this adequate? And how far short does it fall of the expectations?

Mr. Ramsey McDonald examined what the Labour rank and file wanted in 1921 and wrote: "workshop employees (should elect) a workshop committee . . . responsible for the taking on and dismissal of labour, and for the discipline of workmen employed, and should have power to appoint officials of foremen rank . . . seeing that the necessary volume of production is maintained and that the workshop is run in an efficient way."⁶⁸

These were among the policies then being advocated by the trades unions (except the NUR's General Secretary, Mr. J. H. Thomas, M.P., who, in his book "The Red Light on the Railways," was suggesting a Board for a National Railway made up of equal numbers nominated by the House of Commons and the trades unions concerned).

The fight at the TUC's conferences over the years between the syndicalists, Guild Socialists, and advocates merely of "persons experienced in collective bargaining and the organisation of workpeople" being represented on the Boards spread over the 1930's and '40's. Finally, in 1944 was published the TUC's Interim Report on Post-War Reconstruction. This was adopted by the Congress in that year, and the 1945 summary⁶⁹ contained this statement:

"In publicly-owned industries the right of the organisations of work-people to be represented on the governing boards should be recognised by statute.— This could be secured by the selection of a number of the board's members from nominations submitted on behalf of the appropriate trade unions by the T.U.C. In addition there would be consultative councils at national, regional and sectional levels to advise the governing bodies and their responsible officials on the formulation and administration of policy, and on these the trade unions would be directly represented by persons appointed by and responsible to them."

This followed the Labour Party's 1944 broadsheet: "Your Future; After Victory—What then? Labour Answers Your Post-War Questions." It discussed public control in these words: ". . . And certain services—like central banking—

and the provision of light, heat and power—must be taken out of private hands. These could be managed in many ways. . . . Transport, for instance, could be run by a public corporation on which the workers, the management, and the users—that's You—would be represented"; and the NEC's Report to the Conference in 1944 which recommended: "A National Electricity Board should be established in place of the present Electricity Commissioners and the Central Electricity Board. It should be a public body working solely in the public interest, and its members should be appointed by the Minister of Fuel and Power, and should include representatives of workers in the industry for which statutory provision should be made."

These views did not carry over into the Labour Cabinet's Bill-drafting in 1946.

Representation of employees in the policy-making centres is as far away as ever.

By 1950 the Party's programme in "Let us Win Through Together" had diluted the ideas to nine lines on industrial democracy which were indistinguishable in content and intent from the Joint Consultation proposals in the Conservative Political Centre's "Industrial Charter."

Where do we stand now?

Public Enterprise sees industrial democracy burgeoning from the mutual respect and liaison between the public sector executives and the trade union leaders.

But this intimacy between the two power centres in each Corporation is completely without significance on the shop floor.

The storm signals are visible throughout the public sectors; the active trades unionists are no longer prepared to accept responsibility without authority.

Mr. Hugh Gaitskell wrote recently:

"It may be said that nationalisation has not so far lived up to expectations in this matter precisely because too much power is left in the hands of managements and not enough given to the workers. Certainly most of us would like to see a greater degree of 'workers' control'; and there will be general agreement on the desirability of creating a greater sense of partnership and participation. But the very hesitations and doubts which assail the Labour Movement on 'workers' control' at the moment, show how much more complicated the issue of 'power' is than at first sight appears."TM

Since the Corporations were set up, few precise ideas on the devolution of power have been evolved.

The unions have been completely involved in short-run problems of industrial organisation and their economic consequences. And when a Conservative Government was returned, practical negotiators treated the issue as academic in the face of Ministerial attacks.

But now that the Labour Party is preparing for its return to power, discussion of specific suggestions based on experiences of the unions since 1946 is essential. These propositions are advanced in the first instance:

1. Workers in an industry are entitled to a voice in workshop management and in higher policy making.
2. Their authority at local level should be absolute in such questions as working arrangements, hiring and dismissals.
3. They should be allowed to select their own supervisors (providing these are technically qualified).
4. Workers' representatives should sit on the Managing Board for their industry.

5. This scheme of sharing in power (while operated by the joint union organisations within the corporations) should be manned by employees only and *not* full-time trade union officers, who should remain primarily responsible for the negotiation of wages, conditions, and grievance settling.

A modern industrial society could not tolerate each industry's workers dominating their own Board and bargaining with the community. It could not have the easily-automated industries distributing large benefits and shorter hours to its own employees only.

It must, therefore, make clear that a corporation's workers have substantial—but demarcated—powers.

They are entitled to a block of Board seats, but not a majority. Consumers and technicians will also require to be heard.

And, extremely important, representatives of the national planning organisation will have to be seated.

A Socialist Government should have, as a priority, the drawing up of plans and targets for each branch of the economy which are aimed at rapidly and substantially increasing the standards of life for all sections of the community.

The planning machine of the 1945 Labour Ministers was plainly too weak for the job. This deficiency should have been recognised by now and technical means devised for unifying the development programmes of the public institutions—in a positive and leading way.

A workmanlike way of providing worker-directors would be to split industries into occupational constituencies, e.g. of clerks, supervisors, managers, labourers, technicians and all the appropriate grades which bulk differently in each industry. This is suggested because there is frequently more enduring identity of interest between men of a similar trade in different parts of the country, than between men of different occupations in the same factory.

Each constituency would elect an agreed number of representatives to an "Electoral College" which would, in turn, select the persons to sit on the Board.

The advantages of this method are these.

- Workers are enabled to vote for someone with a common language and viewpoint in a group with which they identify themselves—as opposed to a geographical constituency.
- The Electoral College will become a stable forum which will, in time, have opportunities of measuring individual performance at the job in hand and so be better equipped to pick the best qualified worker to go on the Board.
- All Board background papers and situation-appreciations can be circulated to Electoral College members who will thus be enabled to quiz their Board members and better able to fulfil their reporting-back function. And if they are dissatisfied with the representation they are getting, they can recall a Board member—by due process—and replace him by another Electoral College member without loss of representational efficiency.

These suggestions may be unsuitable or needing radical amendment.

But the need now exists for the defeatism over workers' representation to be finally rejected.

THE INSIDERS

The Labour Party is essentially, and above all else, the vehicle for the aspirations of the British working class, and based firmly on the industrial workers. It should not blur its historic role by protestations that the existing public corporations meet the desires of the organised trades unionists who work every day within them.

The National Executive Committee must realise that the

outworn owner-worker relationship has been carried over into the public corporations.

It can only be uprooted by a Socialist Party deliberately placing its trust in the workers and effecting a shift in the balance of power. When this is done the Party will witness a release of productive energies which will transform our society into one of which the British people can be proud.

References

- ¹ Section VIII, p. 56, first para.
- ² Section VIII, p. 56. Second part—which goes on to add, defensively: "This is not to say that everything is perfect. . . ."
- ³ Pp. 57-9.
- ⁴ P. 54.
- ⁵ Para. 3, p. 54.
- ⁶ This has now been altered by fresh Airways Corporation "borrowing powers" legislation.
- ⁷ For which I am indebted to the L.R.D. together with much of the other coal data. The irreconcilability of some of the figures will persist until further Treasury information becomes available.
- ⁸ Covering railways, canals, London Transport, private owners' wagons, road passenger companies, and Road Haulage.
- ⁹ At March 1956.
- ¹⁰ £100,000,000 at 3%, £250,000,000 at 3½%, £275,000,000 at 4½%; £200,000,000 at 4½%
- ¹¹ Made up of sums settled as rates of interest from 2½-5%.
- ¹² *Public Enterprise* p. 54, para. 5.
- ¹³ The problems of subsequent administration in road haulage provide a telling lesson on this score.
- ¹⁴ There were also 5 co-operative movement directorships held by C.W.S. leaders and one by Mr. J. Tanner in a political organisation (see B.T.C., Eastern Area (Railways) Board). This total excludes certain listings in the "Directory of Directors," such as Chambers of Commerce, British Institute of Management or Federation of British Industries.
- ¹⁵ There will be some degree of overlap in the figures of the banks and insurance companies as some public corporation Board Members hold directorships in banks and insurance companies.
- ¹⁶ One of whom, Lord Douglas, Chairman of British European Airways Corporation, is, however, a member of the Parliamentary Labour Party and a long-time Fabian.
- ¹⁷ Taken from White Paper of 1st November, 1956 (Cmnd 43); in many cases these have subsequently increased.
- ¹⁸ Personal salary.
- ¹⁹ Now £6,500.
- ²⁰ Increased to £8,500 p.a. on 13th September 1957, with effect from 1st July, 1957.
- ²¹ Increased to £7,500 p.a. on 13th September, 1957, with effect from 1st July, 1957.
- ²² Increased to £6,500 p.a. on 13th September, 1957, with effect from 1st July, 1957.
- ²³ Increased to £5,000 p.a. on 13th September, 1957, with effect from 1st July, 1957.
- ²⁴ Increased to £4,000 p.a. The part-time members also had their £500 p.a. increased to £1,000 on the same basis.
- ²⁵ Allowances payable for Chairmen, Deputy Chairmen and full-time and part-time members, but excluding another £5,000 available to the NCB "as a corporate body on hospitality and entertainment arising in the course of its business." Normal travelling and subsistence expenses are also met, and in most cases individual "hospitality" expenses can be claimed.
- ²⁶ Sir Edwin S. Herbert, who is on the Boards of: Sydney Morse & Co., Associated-Rediffusion Ltd., Bermuda Broadcasting Co. Ltd., Broadcast Relay Services Ltd., Broadcast Relay Services (Overseas) Ltd., Charles Lowe & Co. Ltd., City National Investment Trust Ltd., Douglas Fairbanks Ltd., Electronic Trust Ltd., Enfield Cables Ltd., H. W. Herbert Ltd., Imperial Continental Gas Assoc., Industrial & General Trust Co. Ltd., Law Society, London & Bustley Property Co., London Maritime Investment, National Safe Deposit & Trustee Co. Ltd., Overseas Rediffusion Ltd., Second Industrial Trust Ltd., Trust Union Ltd., Trustees Corporation Ltd., Ultramar Co. Ltd., Walter Wanger Productions Ltd., William Deacons Bank Ltd., Yorkshire Insurance Co. Ltd.
- ²⁷ The NCB's "ladder" plan appears as the only scheme which attempts a *comprehensive* approach.
- ²⁸ Sir Brian Robertson.
- ²⁹ Mr. John Ryan.
- ³⁰ Sir Ian Bolton.
- ³¹ Mr. T. H. Summerson.
- ³² Sir Ian Bolton and Lt.-Col. Donald Cameron.
- ³³ Mr. T. H. Summerson.
- ³⁴ *Public Enterprise* para. 4, p. 16.
- ³⁵ See tables on pages 23-29 for breakdown of directorships of the Area Board members.
- ³⁶ Lord Bilsland, Scottish Board.
- ³⁷ Mr. R. F. Summers, London Midland Board.
- ³⁸ Capt. Hugh Vivian, Western Board.
- ³⁹ Mr. R. F. Hanks, Western Board.
- ⁴⁰ Mr. A. Chamberlain, Western Board.
- ⁴¹ Sir Philip Warter, Southern Board.
- ⁴² Sir Hugh Rose and Lord Bilsland.
- ⁴³ Lord Bilsland.
- ⁴⁴ In addition to BTC members with privileged education the Area Boards possess at least 5 members who went to Eton and at least one other who was at Harrow.
- ⁴⁵ When Minister of Transport and Civil Aviation in 1952.
- ⁴⁶ On Scheduled Services as associates of BEA or BOAC.
- ⁴⁷ 23rd July, 1952.
- ⁴⁸ He followed Mr. Lennox-Boyd as Minister of Transport and Civil Aviation.
- ⁴⁹ Endorsed by a stoppage-of-work meeting attended by 3,000 BOAC workers on 7th May, 1956.
- ⁵⁰ *Daily Herald* of 24th April, 1956.
- ⁵¹ *Tribune* for 27th April, 1956.
- ⁵² *Tribune* 27th April, 1956.
- ⁵³ *Hansard* 1st March, 1949.
- ⁵⁴ *The Times* Aeronautical Correspondent, 20th April, 1956.
- ⁵⁵ Mr. d'Erlanger denied the next day that he was "personally interested in independent companies competing with the Corporations." This, of course, was not Mr. Mikardo's point.
- ⁵⁶ British Airways Company return dated 18th May, 1938.
- ⁵⁷ Company return dated 14th September, 1956.
- ⁵⁸ See BOAC table on p. 31.
- ⁵⁹ Sir Gibson Graham who is an ex-chairman of the Baltic Mercantile and Shipping Exchange, and a member of the Glasgow Conservative Club.
- ⁶⁰ The *total* comment in *Public Enterprise* on these problems is ". . . Tory Governments have made the Airways Corporations' task more difficult by granting special favours to privately owned independent firms (notably in regard to troopings,) in such a way as to enable the independents in some cases to encroach upon the scheduled services of the Corporations. This has greatly added to the problems of planning new developments."
- ⁶¹ *Tribune* article.
- ⁶² The two AT AC members not previously mentioned are the chairman, Lord Terrington, a distinguished arbitrator and a director of the Law Fire Insurance Society (wholly owned subsidiary of Alliance Assurance), and Sir John Ure Primrose of the General Accident, Fire and Life Assurance Corporation, Dunfermline Building Society and the S.M.T.
- ⁶³ As at 9th November, 1955.
- ⁶⁴ This information mainly derives from Mr. Eric Wigham's informative little book *Trade Unions*.
- ⁶⁵ Page 39, "Direct Representation?"
- ⁶⁶ Mr. G. J. Geddes of the U.P.O.W.
- ⁶⁷ Second para. p. 41.
- ⁶⁸ *Socialism: Critical and Constructive*, published by Cassells (revised edition 1928), p. 165.
- ⁶⁹ *Four TUC Documents*, published by TUC in winter of 1945.
- ⁷⁰ *Socialism and Fabian Tract 300*, July 1956.