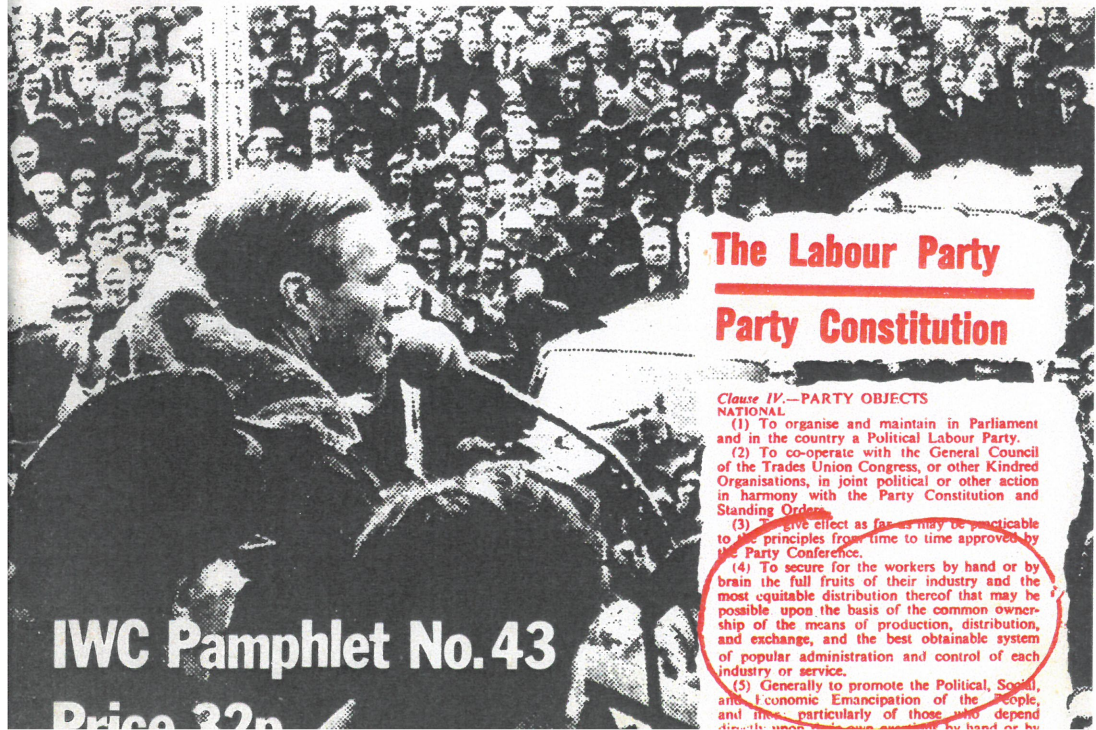


A NEW APPROACH TO PUBLIC OWNERSHIP

Bristol Aircraft Workers



The Labour Party

Party Constitution

Clause IV.—PARTY OBJECTS

NATIONAL

(1) To organise and maintain in Parliament and in the country a Political Labour Party.

(2) To co-operate with the General Council of the Trades Union Congress, or other Kindred Organisations, in joint political or other action in harmony with the Party Constitution and Standing Orders.

(3) To give effect as far as may be practicable to the principles from time to time approved by the Party Conference.

(4) To secure for the workers by hand or by brain the full fruits of their industry and the most equitable distribution thereof that may be possible upon the basis of the common ownership of the means of production, distribution, and exchange, and the best obtainable system of popular administration and control of each industry or service.

(5) Generally to promote the Political, Social, and Economic Emancipation of the People, and in particular of those who depend directly upon their own labour by hand or by

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The Bristol Aircraft Workers' Study Group

The Study Group came into being following discussions between the B.A.C. Joint works/Staff Trade Union Committee and Tony Benn along with Oonagh McDonald, Prospective Labour Parliamentary Candidate for South Gloucestershire, in the Autumn of 1972. Tony Benn made it clear that in his view the aircraft industry would be brought under public ownership by the next Labour Government and that there was a need for aircraft workers to set down their own ideas of how the industry should be run when publicly owned. He further suggested that 'if possible we should make use of people in the University' and he gave as an example the U.C.S. workers study group which had produced a very useful document indeed.

In the initial discussions it was suggested that if Bristol aircraft workers could produce a report showing how they felt the industry should be run after nationalisation this would be useful for Labour MPs and Prospective Labour Candidates and to be seriously considered when Parliament formulated legislative proposals for the industry. There would at least be an opportunity to avoid some of the mistakes of the past in relation to nationalisation and also no-one could argue that the views of those who worked in the industry were not available.

The Group contacted Ron Thomas at Bristol University who, acting as Convenor of the Group has, over the last couple of years, arranged a long series of discussion meetings. Each discussion session was recorded, notes were then produced which were discussed and amended and eventually this Report emerged in August 1974 for discussion amongst workers throughout the Aircraft Industry.

This ad-hoc group has enjoyed pooling practical experiences and philosophies in an exercise of self education and exploration of the frontiers of industrial democracy.

Because the group is free of constitutional ties were are not beholden to any authority, or in any way assuming any representative role.

We are not an organised pressure group but we are offering the results of our study to all sections of industry, Government and public in the hope that it will stimulate ideas on how to constructively provide the maximum opportunity for individual and collective self expression in a most important sphere of activity of our lives. That is the underlying principle.

Members of the Study Group

While something over twenty aircraft workers have made a contribution to our discussions since the study group was formed a number made intermittent attendances only. We have therefore restricted our published list of members to those who have attended regularly and who accept joint responsibility for the contents of this report.

Aircraft Workers:

Frank Begley	AUEW (TASS)
Fred Brooks	AUEW (Eng. Section)
Maggie Clappen	APEX
Lew. Gray	AUEW (Eng. Section)
Bill Gilchrist	APAC
Tom Lynch	AUEW (TASS)
Chris. May	AUEW(TASS)
Patrick Whelan	UCATT
Geoff. Wood	AUEW (TASS)

Co-opted members:

Martin Bromet	EETPU
Oonagh McDonald	ASTMS
Ron Thomas	ASTMS

Convenor of Group:

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CONTENTS

Section		Page
I	Public Ownership of the Aerospace Industry	5
II	Current Thinking on Workers' Participation on Supervisory and Management Boards etc.	9
III	A New Approach	12
IV	Collective Bargaining	25
	Statistical Appendix	29

A NEW APPROACH TO PUBLIC OWNERSHIP

by *Bristol Aircraft Workers*

I

PUBLIC OWNERSHIP OF THE AEROSPACE INDUSTRY

In our considered judgement the case for public ownership of the aerospace industry has been more than adequately demonstrated in numerous reports, enquiries etc. in the past. It is not therefore our intention to offer a detailed evaluation of the issues involved. Indeed our 'terms of reference', our discussions and the proposals we set out later are a response to the clear commitment of the Labour Party to bring the aerospace industry under public ownership and control. We have therefore restricted ourselves to only a brief outline of the arguments which together make up a clear case for the public ownership of the aerospace industry.

Public Funds and Public Accountability

Over recent years hundreds of millions of pounds of public funds have been injected into the industry by way of launching aid, research and development¹ and the procurement of civil and military aircraft. In the last ten years B.A.C. has received more than £200 million and Rolls Royce more than £300 million of public financial assistance.² As well as being the industry's largest customer, purchasing two-thirds of its output in 1970 the Government assists the industry in a number of other and quite substantial ways. In essence the bulk of the financial backing for the industry comes ultimately from public funds, the heavy costs of developing new projects will depend on constant public financial support — what is lacking is public accountability.

Foreign Domination and Control

The threat shows itself at two levels. Firstly the real threat that the 'private' sector of the industry will become partially or completely controlled by American or other multi-national companies. This threat is contained in certain notions advocating an integrated European aircraft industry and what looked like a desire of the Conservative Government to sell-off the Aero-Engines Division of Rolls Royce which could have led to one of the American giants like Pratt and Witney taking control over the future of British aero-engines.

At a rather different level the firms in the industry have entered into all kinds of arrangements and joint developments with foreign firms and governments most of which, as far as we can judge, are not subject to public scrutiny or control. We would not (may we add) be against future arrangements of this kind if they are clearly shown to be in the interests of a publicly owned aerospace industry, nevertheless we are concerned that many of the joint ventures have been hastily conceived and have been motivated by short-term profit searching at the expense of the long-term future of the industry and may well have involved too high a sacrifice of national decision-making.

Wasteful 'Competition'

In the past there has been wasteful duplication of research development and production in the industry which has inflated the cost of each unit produced. Apart from the obvious that individual firms will not alone be able to finance the projects of the future, a fully-integrated publicly-owned aerospace industry will be able to stimulate and create new markets, reduce unit costs by longer production runs and the removal of wasteful duplication of research and development and in so doing make a positive contribution towards security of employment for workers in the industry.

Decision-Making

In the past the industry's technological expertise and creativity has been continually thwarted by inept business and 'political' decision-making. Often this has meant that technical innovations developed in Britain have been more or less 'handed-on-a-plate' to competitor firms in other countries. The negotiators concerned have far too often shown a failure to comprehend the technical details of projects and a complete lack of competence in business expertise.

Effective public ownership can help to ensure that personnel adequately trained in market research, marketing and business expertise are available to translate technical achievement into sales and at the same time prevent the negotiation of arrangements which allow project developments supported by public funds in this country, to become profit creators for overseas private firms with little or no return to the British aerospace industry.

The Workers in the Industry

Private ownership of the aerospace industry has failed to create an environment which challenges and develops the full potential of the considerable creative skills it employs. Workers are seen simply as a factor of production to be utilised as part of some remote decision-making process which more often than not has been based on short-term profit considerations or the political expediency of successive governments. The numerous projects which have been partially developed and then cancelled in the last couple of decades have sent periodic waves of optimism and pessimism over the industry matched by redundant aircraft workers being used more or less as economic regulators to be laid-off and then re-employed as decisions were 'gropingly' made. While at the same time numerous government reports, enquiries, parliamentary debates, and the pontifications of the so-called experts have all failed to produce a sense of security of employment in the industry.

More and more, the workers in the industry are demanding real control over the decisions which effect their working lives. This demand, we believe, can only be met by public ownership of the industry, but as we argue later it will need to be radically different in form to the type of public ownership that we have had in this country up to now.

Draft Report of Joint Working Party of the Confederation of Shipbuilding and Engineering Unions, Labour Party and TUC on Nationalisation of the Aircraft Industry.

This draft report which has just been published (July 1974) sets out the need

for nationalisation, gives details on the structure of the industry and proposes the setting up of a British National Aerospace Corporation — the latter proposal we discuss below.

The section on the need for nationalisation gives details of the injections of substantial public funds into the industry, which we have referred to earlier and it also draws attention to the rapidly growing potential market for aerospace products of all kinds and the United Kingdom's declining share of world sales of civil aircraft:

“By the 1980's, the value of markets for civil and military aviation in the Western World is likely to exceed £6,000 million, about a third of which could arise in Europe. Despite the fact that the world market for civil aircraft (at 1973 values) has risen from £700 million in 1964 to £1,700 million in 1973 the UK share in those two years was the same, at £125 million.”

Quite rightly the Report insists that under public ownership the expertise of demand forecasting and marketing would be centralised and a planned and co-ordinated attack on world markets would result in a revitalised industry.

There has also clearly been, as the Report indicates, a failure to exploit the technological leadership of the aircraft manufacturing industry and a failure to rigorously exploit the technological spin-off from research, development and production. A publicly-owned aerospace industry must be given the opportunity to exploit the market potential for new products, materials, etc. which arise out of research and development in the industry.

Draft Report proposals on a British National Aerospace Corporation

The document proposes a British National Aerospace Corporation which would acquire the two major airframe constructors, BAC and HSA. The Statute would also permit the BNAC to diversify its activities where appropriate. While the proposed legislation would allow substantial diversification by the BNAC “any further extension of public ownership within the avionics and aircraft equipment industries . . . would normally be a matter for the proposed National Enterprise Board rather than the BNAC.”

Rolls Royce, Short Bros., (and presumably other aerospace companies) would *not* ‘at this stage’ be brought within the Aerospace Corporation.

We find this general proposal completely unsatisfactory. Indeed no valid reason is given to justify it. On Rolls Royce³ the report simply states:

“The aeroengine side of Rolls Royce has been operating as a company under public ownership since 1971. It is not proposed at this stage to attempt now to bring the company within the proposed Aerospace Corporation. Rolls Royce as an independent publicly owned enterprise will wish to continue to sell engines to competing airframe manufacturers overseas and also engines for other purposes.”

In our judgement this approach is in complete contrast to the arguments used in that part of the Report which sets out the need for nationalisation. In that section each one of the arguments used are basically related to the need for a nationally integrated aerospace industry. Thus, the report speaks of a concerted national approach being long overdue; greatly improved relationship between maker and user; (especially UK airlines and consumers) a planned purchasing policy; a planned and co-ordinated

attack on world markets; the creation of a viable publicly owned entity; etc. etc.

Taken together, these arguments clearly show the need for a publicly-owned, nationally-integrated aerospace industry which must include the two major airframe constructors (BAC and HSA), Rolls Royce, and the other manufacturers – Short Bros., Scottish Aviation, Fairey Britten Norman and Westland. In addition there is a case for seriously examining the inclusion of a number (in whole or in part) of the “300 or so companies or subsidiaries (which) are involved in supplying components for final assembly by the major constructors in finished aircraft.”

Compensation

On the other hand we would certainly support the Report’s view that the standard compensation formula should be revised to take into account the substantial public funds which have been pumped into the aerospace industry and the fact that in the main the Government has been the sole customer for its products.

The BNAC Trade Unions and Industrial Democracy

The last section of the draft report recommends the establishment “of a number of joint planning committees involving those on both sides likely to be participating in the work of the corporation” . . . “such joint planning committees should be constituted, from the employees side, on a trade union basis.”

This would seem to indicate that it is proposed to constitute the BNAC along the lines of the TUC’s recent proposals on the Public Sector i.e. 50% trade union representation on the ‘first tier board’.⁵ If this is the essence of the proposal we find it unacceptable. Our reasons for saying so are set out in the next section.

On the other hand the final paragraph of the draft report invites proposals from trade union representatives to:

“consider ways of running the BNAC both at central policy-making level and local level with the maximum degree of support and involvement in policy making by work people through their trade union representatives. Such a system of organisation would draw to the maximum on the interest and expertise of those directly involved in production.”

We assumed therefore that no hard and fast decisions have been made. And it is in that spirit that our trade union study group offers this report on *A New Approach to Public Ownership*.

FOOTNOTES

1. Development and Experimental – under HM Government Contracts was approx. £148 million in 1973. See Statistical Appendix.
2. See Draft Report of Joint Working Party of CSEU, Labour Party and TUC: *Nationalisation of the Aircraft Industry*.
3. It may be of interest to note that the TUC’s Report on Industrial Democracy indicates that Rolls Royce will be subject to the fifth directive on company law harmonisation. (This directive was circulated in draft by the EEC commission in September, 1972.)
4. See the Draft Report.
5. See para. 96 of *Industrial Democracy: an Interim Report*, TUC (July 1973) and Section 2 of this pamphlet.

II

CURRENT THINKING ON WORKERS' PARTICIPATION ON SUPERVISORY AND MANAGEMENT BOARDS ETC.

The interim report on Industrial Democracy was published by the TUC in July 1973. Having 'considered comments from affiliated unions and from a number of specialised TUC committees as well as taking account of a resolution relating to this subject adopted by the 1973 Congress' the TUC has now published a further report¹ which was presented to the 1974 Trades Union Congress. The second document brings up to date the descriptive sections and takes account of the policy amendments arising from Congress and from subsequent discussion by the General Council.

The Reports discuss in some detail the developments in workers' participation in the management of private industry including European schemes of Co-determination, the EEC proposals on supervisory boards, works councils and the appointments to nationalised boards in the United Kingdom. The limitations inherent in the EEC and other similar proposals are exposed and there is a rejection of what has been described as "window dressing forms of participation."²

As far as private industry is concerned the TUC's proposals represent a fundamental change of attitude by the General Council and are worthy of consideration throughout the Labour Movement. Our brief, however, is in terms of a publicly-owned aerospace industry and here we find the TUC's approach unsatisfactory.

While the Interim Report's proposals for the public sector have been amended, we still see the whole approach as very much like an extension of the old philosophy of having worker representatives on a nationalised board as a kind of defence mechanism against those who will make the ultimate decisions. It is a philosophy which simply extends the BSC Worker Director experiment which arose from a belief that workers should be on management boards to express the workers point of view on matters which fall within their 'competence' so that, in a social accounting sense, decisions in certain limited areas can be said to have recognised the 'workers interests'.

We believe that given the public ownership of the aerospace industry the time is opportune to experiment with a new and positive form of workers' control which we believe will illustrate that trade unionists are not simply part of a defence mechanism which expects workers to wait 'deferentially' and limit themselves to reacting to decisions which can only be made by some kind of mythical management elite.

We look firstly at the changes proposed for the Boards of nationalised industries as set out in the Interim Report. These were as follows:³

- (i) Legislation for nationalised industries should be altered to provide for one half of the board to be trade unionists, having some regard to the wider public interest;
- (ii) The procedure for appointment should be altered to provide that ministers should formally seek nominations from the TUC for trade union appointments to all nationalised boards of statutory status;
- (iii) The TUC would normally seek nominations from unions within the industry covered by the Board.

Our first criticism of these proposed changes was that unlike the Interim Reports proposals for the Private Sector which listed a whole number of decisions which

could be vetoed by the workers representatives and which gave the right to veto appointments to the management board, the Public Sector worker nominees had, seemingly, no such powers. The TUC's latest proposals however no longer seek any right of veto by worker representatives on supervisory boards which it proposes for the private sector.⁴ While extraneous to our exercise we fail to understand why this proposal has been dropped. Secondly we were unable to accept the Interim Report's suggestion that "Ministers should formally seek nominations from the TUC for trade union appointments to all nationalised boards" and that "the TUC would normally seek nominations from unions within the industry covered by the Board." Implicit in the latter was the likelihood that nominees from outside the industry concerned could become board members. Coates and Topham in discussing these proposals also demand that workers from other industries have a right "indeed a need" to be involved.⁵

We could not accept these proposals in the Interim Report for the following reasons:

1. We saw no justification for *nomination* as against a system of *direct election* of worker representatives. Indeed the proposals would deny to workers in the Public Sector what the Report advocated for workers in the Private Sector — namely direct elections and the right of recall. The latter would have no substance if workers representatives were nominated by the TUC or trade unions in the industry.
2. Our proposals would require the *direct election* of representatives *from among those who work in the industry* to constitute the overall decision and policy making body.

There are, of course, arguments for saying that worker representatives from other industries could represent the consumer or public interest. But representation of a nebulous concept is not representing workers.

Who, we asked ourselves would these representatives be responsible to?

Our view is quite clear. It is, that those who shape the decisions which determine the working lives of those employed in the industry should be clearly answerable and responsible to those who elected them. The representation of other interests can have a place in our proposals but in an advisory capacity only.

The TUC's latest proposals, though somewhat unclear, can be seen as a movement towards meeting our objectives although in one basic and fundamental regard they are unacceptable. We discuss this below. Here we reproduce the summary of the proposals for the Public Sector as set out in paragraph 96 of the TUC's latest report:

"If the proposals put forward above for a form of worker representation on the boards of private industry were adopted, then it would obviously be desirable if similar forms of representation could be established within the nationalised sector. The 1973 Congress affirmed the importance of this principle. However, the present boards of the nationalised industries already include outside appointments representing wider interests, including trade union appointments from outside the industry. In this sense, the existing nationalised boards already perform a function not dissimilar to a supervisory board; indeed, in certain nationalised industries there is also an executive or operating board subordinate to the main board. It is proposed that this system — which is in effect a two-tier

system — is retained, but that 50 per cent trade union representation should be provided for on the first-tier board (i.e. that concerned with overall policy-making). This top-tier board would not be the operative body so far as wage negotiations were concerned. The representation should be direct, without involving the Minister, but based on the trade union machinery in the nationalised industry so as to represent the workers employed in the industry. The TUC's role in this would only relate to determining respective unions' interests where necessary. The other 50 per cent of the board should be appointed by the Minister, but there is scope for further discussion about the composition of this 50 per cent. There must therefore be a commitment to a new set of statutes for the nationalised industries.”

If this means that the 50% trade union representation shall be directly elected via the trade union machinery in the nationalised industry so as to represent the workers employed in the industry then to that extent it is a movement towards the objectives we have raised earlier. We now come however to our fundamental and basic objection:

What we would ask is the significance of the 50% representation? The question surely is, does this or does it not give control?

If not, it does not matter much whether the representation is 5%, 10% or 50%. On the other hand if it is supposed that the proposed representation could mean the exercise of effective control over decision-making (albeit in certain areas) what are the arguments against a complete break with considerations about what different numerical representations might mean and give overall control to elected worker representatives? The Report would seem to suggest that the trade unionists on a public board can represent workers, help to arrive at decisions and presumably as individuals make an equal contribution as any one of the other 50% nominees, but that they could not be ‘trusted’ to make the ‘right’ decisions on their own. This is a strange reflection when considered in terms of local authorities up and down the country where elected councillors are responsible for the expenditure of considerable public funds and important policy decisions. It might be argued that local authorities have to work within central government’s legislative and other constraints but to a lesser or greater extent this is true of the Public Sector in general and would certainly be so as far as a publicly owned aircraft industry was concerned.

We cannot therefore understand why both the TUC documents fail even to discuss the proposition that the overall policy-making body of a publicly owned industry could be composed entirely of directly elected trade unionists who work in the industry concerned and that they should be clearly answerable and responsible to those who elected them.

In our judgement these first two sections indicate certain conclusions and at the same time raise fundamental questions that need to be answered. These are as follows:

1. The case for public ownership of the aerospace industry has been clearly established.
2. There is a need for a radically different form of public ownership from the approach in the past.
3. We cannot see any justification for the proposal to set up a British National Aerospace Corporation which excludes Rolls Royce, Short Bros. and other aerospace firms. In our view the first section of the Draft Report of the Joint

- Working Party of the CSEU, Labour Party and the TUC shows a clear need for a publicly owned and nationally integrated aerospace industry and we question why the conclusions in the report fail to respond to that need.
4. We find the TUC proposals for worker representation on the boards of nationalised industries to be unclear in terms of:
 - a. the provision of 50% representation on the first tier boards and
 - b. a failure to spell out just what is meant in the Report by direct representation based on the trade union machinery in the industry.
 5. We also raise the question of how far these unsatisfactory proposals have been pre-determined by Common Market membership and EEC Company Law Reform and regulations.
 6. Finally we ask 'what is the significance of the 50% representation?' Does it, or does it not, give control to the worker representatives? If not it matters little what the proportional representation is.

In the next section we set out our own proposals as a serious contribution to the debate on Industrial Democracy.

FOOTNOTES

1. *Industrial Democracy*. Report by the TUC General Council to the 1974 Trades Union Congress (TUC July 1974).
2. *Catching up with the times: How far the TUC got the message about Workers' Control*, Coates and Topham, IWC Pamphlet, no. 37.
3. *Interim Report*, pp. 39/40. (Para 96).
4. The Supervisory Board as a whole (or by majority vote?) would presumably have right of veto. See para 91. TUC Report on *Industrial Democracy* (1974).
5. *Catching up with the times*, op. cit.

III

A NEW APPROACH

The essence of our system is that management is hired by the workers to run the industry.

At industry level we propose a *Controlling Council of Worker Representatives* elected from and by trade unionists who work in the industry which will have overall control and determine broad policy. This Council will be responsible for the appointment and dismissal of all members of the *Industry Management Executive*.

This professional management body will implement and give detailed substance to the overall policy decisions of the Controlling Council, be responsible for day-to-day management decisions and the appointment of regional/divisional and plant

management executive(s). The Controlling Council will be properly and independently serviced by its own advisers. It will be empowered to institute enquiries, feasibility studies, long-term planning projects etc. It will have the authority to determine the information, reports and decisions which must be submitted for its consideration and its approval or otherwise. In essence, the Council will have the authority, finance and advisory services to enable the elected representatives to determine broad policy, to make decisions in those areas which it is not prepared to delegate to the Industry Management Executive, to monitor the implementation of of policies, and to 'negotiate' with government ministers and departments, British Airways and other bodies. It will be a party in the final stage of the Collective Bargaining Conciliation machinery. Above all, the 'representative' role of the Council members will be fundamental and ways must be found to ensure the involvement of 'constituents' in policy-making, for example at elections and subsequent consultations, from the work bench to meetings with Shop Stewards Committees and union executives.

Membership of the Controlling Council

Basic to our proposals is a Controlling Council of Worker Representatives elected from and by trade unionists who work in the Industry and which will have overall control and determine broad policy.

We spent considerable time discussing how this could best be achieved while at the same time ensuring that Controlling Council Representatives remain clearly answerable and responsible to those who elect them. A number of procedures suggested themselves and these were tested against other factors which we considered important – namely:

- a. the skills or qualities a Controlling Council representative would need;
- b. the size of the Controlling Council – such that it functions satisfactorily while retaining the representative role of its members;
- c. ensure that the worker representatives would be accountable to those who elected them and in the final analysis be subject to recall.

We readily admit that we were not able to define with any precision the kind of qualities or skills a controlling council member would need. Current thinking in terms of 'experts' and the so-called managerial skills of the present system were rejected immediately as being quite alien to the kind of philosophy inherent in our proposals. In our view the representative would need the ability to interpret, criticise and analyse reports; question and cross question both the Industry Management Executive and the Council's own advisers, and make a constructive and worthwhile contribution to the determination of broad policy decisions for the industry. We define this as a 'political' or analytical skill, a critical technique of thinking based on integrity, common sense and experience. There is no shortage of such skills among working people. At the same time, and of no less importance the Controlling Council member will need the necessary qualities to represent, earn and sustain the confidence and respect of those who work in the industry. We look at this aspect in more detail below.

In considering the size of the Controlling Council it was generally agreed that if

membership of the Council exceeded a certain number it would not be possible to have the kind of informed detailed discussions and contributions from members which would clearly be necessary. Large gatherings, it was thought, are much more easily influenced by individuals, who might in this case be members of the Industry Management Executive, the Council's own consultants or indeed individual elected representatives. It was also felt important to avoid the necessity for some kind of smaller executive committee which seemingly is always demanded when a committee gets above a certain size and which before long becomes the *de facto* decision-making body. Understandably our thoughts were to some extent coloured by experiences of delegate conferences where the imposition of time limits on debate is a necessity and it was not easy to assess how much time would be available to Council members for detailed discussions, bearing in mind that our proposals envisage that the elected representatives would serve in a full-time capacity.

Specialist Sub-Committees

To some extent, our discussions on the size of the Controlling Council were also influenced by the need as we saw it to set up a number of specialist sub-committees. These we felt might cover areas like — Market Research, Technical Research, Financial Controls, Sales, Production, Manpower and Industrial Relations, etc. But clearly it would be for the Controlling Council itself to decide on the need for and the setting up of any individual sub-committee. The sub-committees would have a strict 'terms of reference' laid down by the Controlling Council. They would report their deliberations to the Council as a whole and it would be made absolutely clear that only the full Council would make final assessments, decisions or recommendations arising out of the reports. We are not advocating that members of these specialist sub-committees should become or aspire to become 'experts' in the accepted sense in these particular subject areas. It is our view that those who imagine that they have become experts in a particular field face, and often succumb to, the danger of losing the ability to critically analyse a course of action, deliberately fail to offer alternative proposals and become inward-looking committee orientated — all of which we want to avoid. We believe however that there is still a need for such sub-committees which have the role of bringing to the main council the real essence of reports, feasibility studies and so on in their area of competence. Over the course of time the sub-committees views on immediate issues or longer-term developments would, no doubt, attract the respect of the elected representatives as a whole but it is vital to ensure that such views or proposals are not simply 'rubber-stamped' by the Council. The ultimate responsibility for ensuring that this does not happen will of course rest with all Council members. This will mean doing the job for which they were elected and making sure they have all the relevant information along with alternative courses of action and the likely consequences of any decisions they might make.

Consultants and Advisors

Our proposals envisage the Controlling Council having the complete freedom to employ consultants and advisors who, when asked, would offer an independent assessment of any proposals whether these came from the Industry Management Executive, a sub-committee, the Council itself, or from any other source. The Council would

also have the authority to invite any individual whose knowledge and integrity it respected, to attend meetings, offer advice, cross-question members of the Industry Management Executive etc. In essence the Council would be completely free to deploy consultants and advisors in whatever way it felt would best assist in its deliberations and its broad policy creation. This we believe would also help to combat the possibility of Council members being swamped by information and the danger of allowing arguments about detail to shift the minds of elected representatives away from their essential role which is to determine broad policy for the industry.

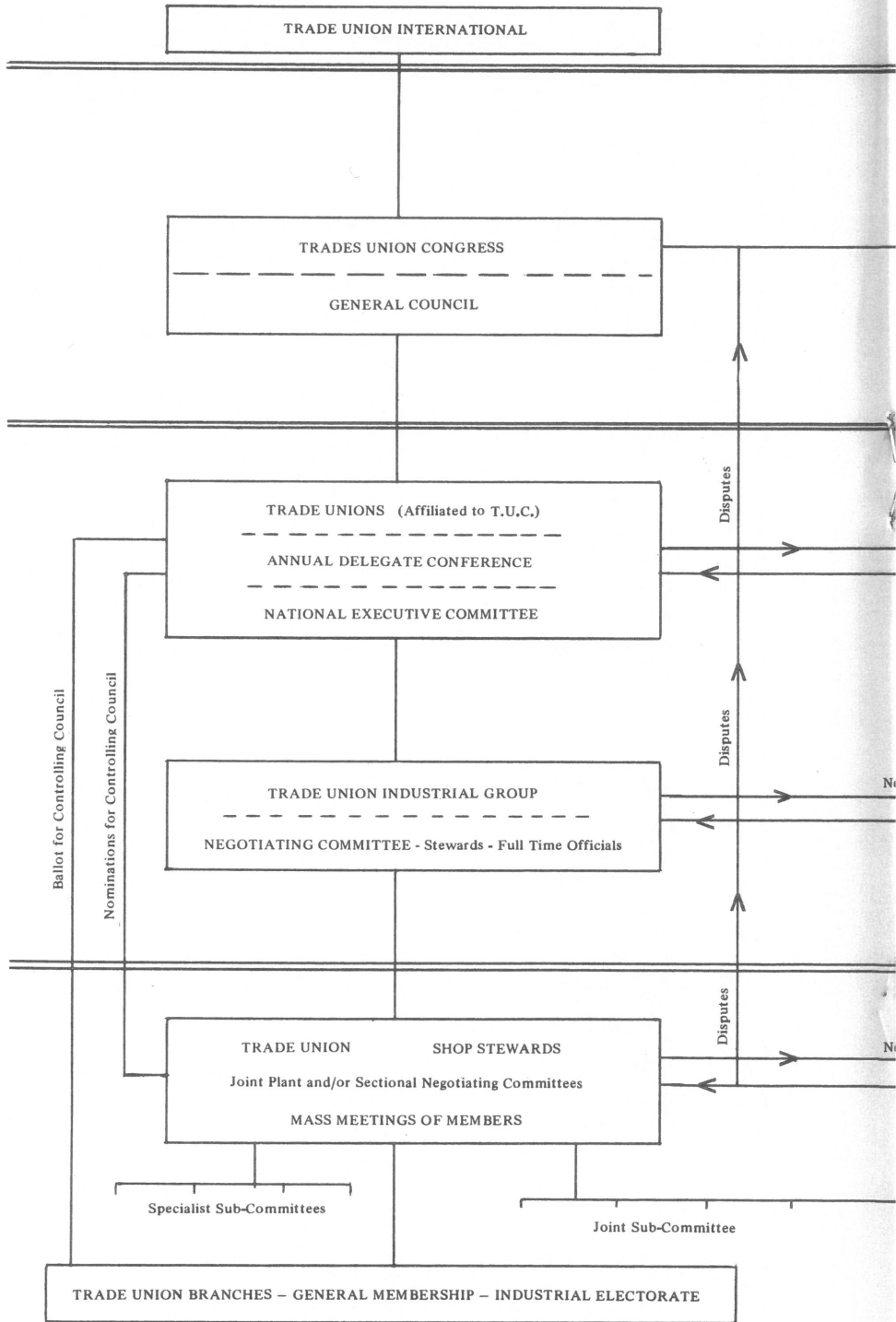
The Representative Function

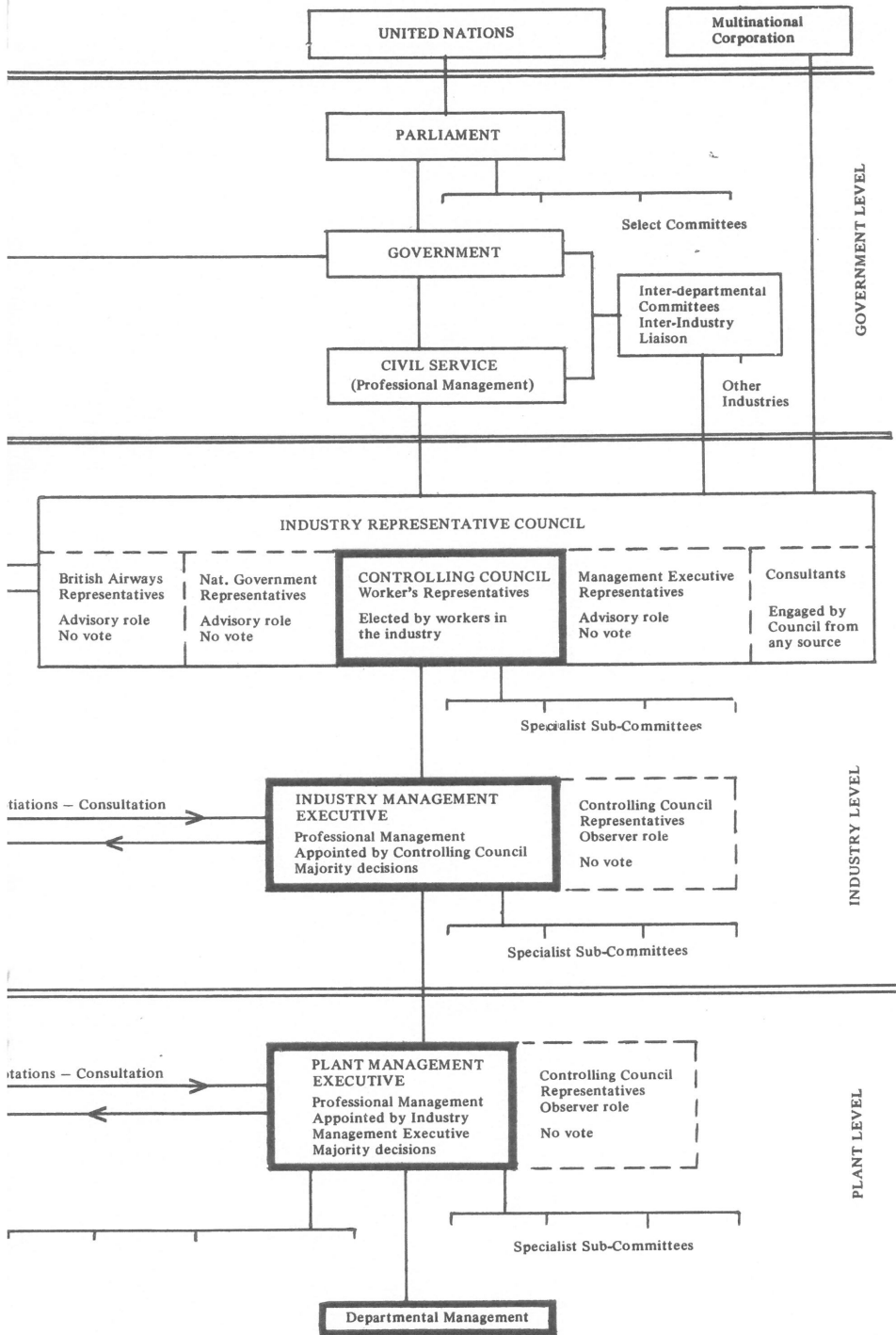
We have insisted that it is fundamental to our proposals that members of the Controlling Council should be representatives who would be clearly answerable and responsible to those who elected them. Earlier we rejected any notion of representing workers in a vague and general sense¹ because it is our view that representation only has any real meaning in terms of a clearly defined group or constituency. It only has meaning in terms of reporting back to that group, seeking and representing their views, justifying policy decisions, and stimulating a sense of involvement, debate and criticism within the group. This is why we also rejected the suggestion that members of the Controlling Council might be elected via some kind of trade union annual delegate conference.

From this essential principle we had to consider the number, designation and size of 'constituencies' which would most likely ensure the kind of representation we would like to see and which at the same time would give recognition to the need for an effective policy-making council. We readily admit arguments in favour of ten or even less constituting an 'effective' policy-making body but given that there are something like 200,000 workers in the industry² a controlling council on such a basis would, we decided, make a nonsense of representation in any real sense. After some considerable discussion we also felt that it was impracticable in 'representation-terms' to designate constituencies on a trade/project or trade union basis as this would almost certainly mean that the elected controlling council member would be responsible and answerable to groups of workers in different parts of the country. Having considered in some detail the representative role of the Council member we offer the view that a 'constituency' of something like 4,000 should be considered as a practical possibility which would mean a Controlling Council of 50 or so representatives. The 'constituencies' to be drawn-up on a geographical basis which may in some instances require the amalgamation of establishments for election purposes.

Election and Accountability

In our considered judgement real accountability can only have meaning if each member of the Controlling Council is directly elected by a majority vote of the trade unionists employed in each of the pre-determined geographical constituencies. If the representative is answerable to any other committee or body there will be a loss of democratic involvement and responsibility. This will also be the case, albeit to a lesser extent, if nominations for the election of representatives can only come via shop steward committees or other trade union bodies. It would be wrong, we feel, to place any body or group between the electors and their choice of represen-





tative. Thus we propose that any trade unionist with (say) five years trade union membership would be eligible to contest the election. This of course would not prevent shop stewards groups showing their confidence in a particular candidate by giving clear support to his or her nomination. It is likely that in a 'constituency' of (say) 4,000 that many nominations would come forward. We suggest therefore that a system of 'primary' elections be organised by dividing the constituency up into four or five sections leading to a final ballot of the successful candidates in each section.

We readily admit that the direct election procedure set out above did not initially command the full support of the Study Group. We also readily admit that a number of active trade unionists have since raised fundamental objections to the whole approach on which the election procedure is based. The objections fall under two main headings:

1. A demand that each member of the Controlling Council should be elected by and directly responsible to the shop-stewards organisation in each 'constituency'. Only this procedure, it is argued, would create real accountability in that the elected representative would be under the direct control of a clearly defined trade union body as against a more ill-defined 'mass' trade union membership of say 4,000. It is also argued that in practical terms the accountability would be far more positive in that the shop stewards body could determine strict terms of reference to adequately assess and determine the record of 'stewardship' of the Controlling Council member.
2. The second main objection is that our procedure could mean a particular trade union achieving an overwhelming majority on the Controlling Council and a number of unions having no representation whatsoever. It is suggested therefore that there should be a system which combines the 'geographical' representation as set out above and that each trade union in the industry would have one representative on the Controlling Council.

While the Study Group firmly support direct elections as against any 'indirect' method, we hope that this basic aspect of our proposals will be subject to critical and constructive debate by those who work in the industry. Equally we would like to see discussions taking place on the best way of achieving a positive and continuing method of 'representative accountability' in terms of reporting back sessions, dissemination of information, reports, minutes, recorded details of votes taken etc. at controlling council meetings.

We would like to see the elections of Controlling Council members assume the importance such elections would clearly deserve. This would involve mini-election campaigns with limited funds available to produce election addresses, hold meetings and so on. Successful candidates would be elected for three years with one third having to seek re-election each year at the end of the initial three year period.³ At the same time each member of the Controlling Council would be subjected to extra-ordinary recall during his/her period of office.

A recall procedure might operate as follows:—

1. A meeting of all shop stewards in a "constituency" to discuss *the possibility of*

initiating the recall procedure would be arranged by the Joint Trade Union Committee⁴ if asked for in writing by at least one-third of the stewards in the "constituency" concerned or if asked for by the Controlling Council. In each case the reason(s) for requesting such a meeting to be clearly indicated in writing.

2. The Controlling Council member for the "constituency" to be invited (in writing) to attend the meeting and to be informed (in writing) the reason(s) given for requesting such a meeting.
3. It will be necessary to specify what number of stewards would constitute a quorum for 'recall procedure' shop stewards meetings as set out here and below in 7.
4. The meeting would discuss the matter of concern giving the elected representative ample opportunity to state his or her case and the right of reply to the discussion before the vote is taken.
5. By a simple majority the meeting would be empowered to determine whether or not a *prima-facie* case existed which required further consideration, If the meeting decided that a *prima-facie* case did exist it would announce arrangements for a further meeting of all shop stewards in two months time.⁵
6. During the 2-month interval the elected representative would be given every opportunity to address sectional "constituency" meetings to discuss the matter(s) with the "constituents" who elected him or her.
7. At the second 'recall-procedure' shop stewards meeting (given the requisite quorum) a two-thirds majority to be required to carry a motion that the representative 'no longer commands the support of the membership'. If carried by the required majority the Joint Trade Union Committee to issue a detailed statement and new elections for a Controlling Council member would immediately be instituted. If the motion is not carried by the required majority the JTUC will issue a statement that — the elected representative still commands the support of the membership.
8. Until a 'no confidence' vote as in 7 above, the elected representative will continue as the Controlling Council member for the "constituency".
9. A 'no confidence' vote as in 7 would not prevent the elected representative concerned standing as a candidate in the subsequent election.

Industry Representative Council

Our proposals also envisage the setting up of an Industry Representative Council on which there will be represented other interests which have a clear concern in the continued development of an efficient and viable aerospace industry. As well as members of the Controlling Council, membership would include representatives of the National Government, British Airways, the Industry's Management Executive, Consultants and other appropriate interests. The Industry Representative Council would have a fairly open brief to discuss and receive reports on all aspects of the

industry's policies, problems and developments. While it would have a 'non-executive' advisory role it could still make an important contribution to the overall development of the industry. For while we insist that the Controlling Council must determine broad policy it will no doubt give due respect and attention to the deliberations of (say) bi-monthly meetings of the Industry Representative Council.

Where any changes are contemplated in government financial or other policies which might have an impact on the aerospace industry we would of course expect the Treasury or the government department concerned to have prior, direct and detailed discussions with the Controlling Council and we would expect no policy changes to be made which could affect the industry without such discussions.

Industry Management Executive

As we have stated earlier the Controlling Council of Worker Representatives would be responsible for the appointment and dismissal of all members of the Industry Management Executive.

"This professional management body will implement and give detailed substance to the overall policy decisions of the Controlling Council, be responsible for day-to-day management decisions and the appointment of regional/divisional and plant management executive(s)".

Controlling Council representatives would be at liberty to sit in as observers on any of the meetings of the Industry Management Executive. The latter would be responsible for industry-wide negotiations and collective bargaining with the trade unions concerned and the Controlling Council would only expect to become directly involved if there was a failure to resolve a major issue. We would also like to see an element of democratic decisions-making within the Industry Management Executive itself. Our diagram suggests decisions by a majority vote. This however might be unrealistic. Partly because the Executive will be concerned with implementation of broad policies in technical terms which perhaps do not lend themselves to democratic decision-making and partly because the whole philosophy of majority decisions tends to be alien to managerial and 'executive' mentality. On the other hand it is an approach which we would wish to see fostered and developed although we are not impressed by examples of pseudo-equality in decision-making which is offered by so-called corporate management. It will however be essential to encourage members of the Industry Management Executive to offer to the Controlling Council uninhibited constructive criticisms of any proposals, developments etc. wherever these originate from or whoever is responsible for their implementation.

Plant level

Our basic aim is to ensure that those who work in the industry have a real sense of involvement in the decisions which affect their working lives. To make this a reality it will be necessary to create an environment at workshop and office level in which workers feel they want to fully utilise their creative talents and experience and make a full and positive contribution to the future development of the industry.

The process of creating this kind of environment will clearly be enhanced by the election of a controlling council of workers' representatives. This council, the constitution and functions of which we have described earlier, will not of itself bring about the fundamental changes in the work place which are necessary to replace the frustration, alienation and conflict arising from private ownership. There is a need to inject at plant level a real sense of involvement and control and to harness the creative energies of the work people concerned. In an attempt to achieve this we would advocate the following proposals:

Joint Trade Union Committee

Firstly we believe, there will be the need to set up a joint trade union committee composed of elected representatives of all TUC recognised trade unions which have members employed in the factory or establishment. This committee should reflect the membership of different trade unions in geographical areas but it should not, we feel, be based on a strictly proportional representation basis. All trade unions should have at least one representative on the committee, to be supplemented by one or two additional members from unions that have a large membership in the plant. The precise details of this can obviously be worked out by the trade unions concerned, as indeed happens where such joint bodies operate today. This kind of structure is necessary to give all unions a voice on the committee and to allay the fear of domination by a particular trade union or unions. In our view the representatives of the joint trade union committee should be elected annually by the trade unions concerned and at all times they would be accountable to the trade union members they represent. This committee will be the 'senior' trade union committee in the plant and it will be responsible for negotiations on all major issues with the plant management executive. While we insist that all issues which may affect the livelihood of those who work in the industry must be subject to the process of free collective bargaining we have felt it worthwhile to offer brief comments on collective bargaining in a later section. For the moment we are concerned with the other major areas of decision-making. These are areas which employers often jealously guard as being part of so-called 'managerial prerogatives' — not subject to joint negotiation and resolution — such notions of course will no longer be acceptable and will indeed be alien to the whole approach and philosophy we are advocating.

The joint trade union committee will also exercise overall responsibility for the specialist sub-committees which we would like to see established.

Trade Union Specialist Sub-Committees

In an attempt to increase the involvement of working people in decisions while at the same time to utilise the considerable knowledge available on the shop-floor and in the office, we recommend the setting up of a system of trade union specialist sub-committees. Each committee would involve itself in a particular subject area. There would, for example, be a need for a specialist sub-committee which concerns itself with production — including methods of production, movement of labour and machines, production programmes, etc. We also see the need for specialist sub-committees in areas like manpower planning, training, safety, budgetary control and costing as well as welfare and recreation. We also believe there

is a case for trade union involvement in the whole question of promotion at plant level via a sub-committee or some other procedure.

Given the considerable variations in sizes of plants and the diversity of work in the industry we believe that the number of such sub-committees in any particular establishment can be left to be decided by the joint trade union committees concerned. At the same time we believe that the subject areas we have listed above should be adequately covered by a network of specialist sub-committees.

Any trade union member who feels that he or she has a contribution to make to a particular specialist sub-committee can be nominated to serve on that committee. In this regard we do not refer to 'specialist' in the accepted sense, on the contrary we want to see injected into these committees a critical but common sense approach which is based on years of experience in the workshop or in the office. The names of nominees will be submitted by shop and office committees (see below) to the joint trade union committee whose members will elect those to serve on the specialist sub-committees. There will be at least one member of the senior committee on each of the sub-committees.

Specialist sub-committees will have an on-going role of building up an 'expertise' and competence in the particular area for which they are responsible. Where the plant management executive is implementing policies referred to it by the industry management executive and it involves major decisions which would affect the livelihood of the workers concerned, it will immediately be subject to collective bargaining between plant management executive and the joint trade union committee. At the same time the joint trade union committee will seek the views of the relevant sub-committee or committees. It may well decide that it requires a detailed report from the specialist sub-committee before negotiations can proceed. Matters and issues which are not of major importance will be dealt with by the specialist sub-committee in co-operation with the shop or office committees. Clearly many day-to-day changes can be dealt with in this way and it should not be difficult for the joint trade union committee to decide what issues and changes are best dealt with on what level. Where a specialist sub-committee is unable to resolve an issue which is deemed to be within its competence it will report the matter to the joint trade union committee and in the meantime status quo will operate. The specialist sub-committees will be expected to spend time on forward thinking and planning, they will prepare reports on particular aspects within their areas and competence and they will report periodically to the joint trade union committee. Clearly there will be a need to ensure that the members of these committees are given every facility. This in our view will include the right to seek and receive information from plant management or any other source and the right to interview and question anyone who can assist the committee in its deliberations.

As and when necessary the members of the trade union specialist sub-committees will meet with their 'opposite numbers' from plant management to constitute a joint trade union/management specialist sub-committee to consider matters within the 'areas' covered by the particular sub-committee.

Shop and Office Committees

We have said earlier, that the basic aim of our proposals is to ensure that those

who work in the industry have a real sense of involvement in the decisions which affect their working lives. This philosophy of decision-making and involvement by working people must be translated into real and tangible terms on the shop floor and in the office. As a recent TUC report puts it: "to be relevant schemes of industrial democracy must be seen to be effective by workers at their own place of work."⁶ In our proposals shop and office committees have an important role to play in ensuring that real industrial democracy is (and is seen to be) effective in the lives of the workers themselves.

At the moment shop and office committees operate in the aircraft industry within varying degrees of management recognition. Often these committees proceed on an informal and ad hoc basis with management seeking the views of the committee when it suits a particular departmental head to do so. At the same time representations by such committees are largely ignored unless backed up by a threat of industrial action. Meetings are generally held outside of working hours and few if any facilities are granted to these committees to represent the day-to-day interests of workers.

As a first and obvious step, shop and office committees must be given full recognition by management. The number of committees in each establishment should be determined by the need to ensure that the diversity of jobs in work-shops and offices have representation and a sense of involvement in what is going on in their immediate work place area. To achieve this it may be necessary to group a number of smaller shops (or offices) together to form a reasonably homogeneous unit, or it may be necessary to split up larger shops into two or three units to ensure adequate representation. We would suggest that a unit of 50 workers involving one, or a groups of shops as a reasonable minimum to elect a shop committee of say three members. This might also apply to any unit between 50 and 100 workers. Where a unit involves more than a 100 but less than (say) 200, a committee of five would be elected. In larger shops above 200 it could well be thought worthwhile to split the shop up into two or three units with each section having a shop committee.

Any trade union member could be nominated to serve on the committee for his shop, office or section and we would suggest annual elections to determine the membership of these committees. To ensure that different sections are represented on the committees might necessitate having a number of separate and unequal groupings within the unit. This and other related matters can of course be worked out by the groups concerned under the general guidance of the joint trade union committee. Shop and office committees must be given every facility to carry out their functions, including of course the clear right to meet as a separate unit or with other committees and representatives as required. We believe that each member of a shop or office committee should be issued with appropriate credentials by his or her trade union.

The functions of shop and office committees need to be many and varied. Clearly in the main they will be concerned with the day-to-day changes and decisions which affect workers in a particular shop, office or section. They will be immediately concerned with the 'lay-out' of shop or office, the daily movement of labour between jobs, the siting of new machinery, production programmes and the changing techniques of production. At the same time shop and office committees will be involved in the crucial long-term objective of ensuring that the talents, experiences, and ideas

of workers can make (and be seen to make) a positive contribution to the effective development of the industry.

There will need to be a close working relationship between these committees and the trade union specialist sub-committees. The shop and office committees along with shop stewards will obviously be the first stage in the communications network. They will need to ensure that the views of the workers they represent find adequate expression on the specialist sub-committees and indeed on the joint trade union committee. All this adds up to the need to ensure a multi-directional flow of ideas, information, questions leading to an effective sense of involvement in decisions.

Shop Stewards

The main force at work in pushing forward the frontiers of industrial democracy, worker involvement and control and the joint regulation of conditions of employment, has been effective shop steward bodies in establishments and at company and industry level. The continuing development and extension of shop steward organisation is essential to our proposals. This development and extension will show itself in the work of the committees within each establishment and at the same time we believe that the form of public ownership outlined will eventually produce qualitative changes in the functions of the steward and in relationships with the workers he or she represents. Clearly the trade unions concerned can best work out the extent of shop steward representation on the shop, office and specialist sub-committees. But above all else, we look to shop stewards, effectively organised throughout the industry to take up the main burden of responsibility of making a reality of the representative industrial democracy which we are advocating and not the least to ensure the trade union representatives who serve on the various committees and indeed the Controlling Council are at all times truly accountable to the workers in the industry.

In general terms we see the shop steward as having three main roles. The first of these is familiar to anyone having a knowledge of industrial relations and we do not see the content of this role changing significantly with the implementation of our proposals. A shop steward is an accredited representative of his or her trade union. This means a direct responsibility to see that the policies laid down by the union concerned are both understood and supported by the members he or she represents, which relies on a two way process of communication via the steward that to those concerned hardly needs a mention.

It would be a nonsense to suggest that the implementation of our proposals would have the immediate effect of producing a joint agreed and continuing set of policies for all the unions in the industry and thus significantly changing this role and responsibility of a shop steward. At the same time we do believe that policies jointly agreed by shop stewards representing a number of trade unions in an establishment or 'combine' are more and more being reflected in efforts to create a joint trade union approach in particular industries. We also believe that trade union policy differences within a particular industry which are said to arise from so-called conflicts of interest, largely stem from the ownership, structure, and organisation of private industry, and in the nationalised industries they arise from the lack of the fundamental changes we would like to see. At the same time a shop steward is elected to represent the views of a group of workers on a section or in a shop or office. The

many and varied demands this makes upon a steward is worthy of a study in its own right. For our part we are only concerned here with giving a suggested general indication of how this representative function might change in a quite different environment. Again it would be naive to suggest any immediate or dramatic change. Although earlier we have insisted that conflicts of interest largely stem from the present form of ownership and control, there will still, even with the acceptance of our proposals, be the need for a shop steward to represent the individual and group interests of members.

The third general role of a shop steward which we would like to see developed is the positive one of stimulating a sense of involvement and contribution to the working out and achievement of production plans and programmes etc. in the particular section, office, or shop. Alongside this we would hope that stewards would stimulate and encourage members to sustain a continuing critical but constructive appraisal of day-to-day and projected longer-term programmes, in the areas in which they work and that the steward will channel these evaluations direct to the joint trade union committee.

A central feature of our proposals is to harness the wealth of knowledge, ability, experience on the shop floor and in the office, which at present is largely ignored, and here the role of the shop steward will be vital.

FOOTNOTES

1. See pages 9-11.
2. See statistical appendix for details of regional employment levels in the industry, etc.
3. Casual 'vacancies' will be filled by direct elections. The successful candidate serving out the *remaining* period of the 3 year term.
4. See page 21.
5. If a properly worded motion fails to command a simple majority then that will be the end of the matter.
6. Para 62, *Industrial Democracy: an Interim Report* by the TUC (1973).

IV

COLLECTIVE BARGAINING

As a study group we felt the need to offer certain comments for discussion on how far our proposals for a publicly-owned aerospace industry would require modifications in the present system of collective bargaining in the industry. In offering these brief comments we do not for one moment suggest that our thoughts represent the general feelings of aircraft workers. They are simply based on the experiences of members of the group.

Since setting down our thoughts it has been suggested to us that the modifications we discuss below do not suggest any radical changes in the system(s) of collective bargaining in the industry and that we ought to have offered our views on the long-

term changes which it might be argued are necessary in a socialised industry. We do not feel however that such an exercise would serve any useful purpose at this point in time. Whatever our views might be we are sure that the trade unions in the industry will continue to assess and decide what kind of common policies are best suited to serve the interests of those who work in the industry and the ways in which the implementation of such joint policies can best be achieved.

Trade Union Organisation

We would wish to emphasise in the strongest terms that our proposals are completely dependent upon the continuing development and strengthening of trade union organisation throughout the industry. We mention earlier the need for effective shop stewards bodies at establishment, company and industry level to push forward the frontiers of industrial democracy, workers' involvement and control and the joint regulation of conditions of employment.¹ Pushing forward the frontiers of industrial democracy can only be achieved by effective trade union organisation in the office and on the factory floor. While trade union membership is well established in the aerospace industry there are, as the Draft Report on Nationalisation² points out, "pockets of non-membership amongst middle management groups". At the same time the effectiveness of trade union organisation varies from plant to plant and indeed within plants. Clearly these are two areas which require urgent and continuous attention.

Collective Bargaining

Given effective trade union organisation "collective bargaining is and will continue to be the central method of joint regulation in industry"³. At the same time the scope of collective bargaining will be continually extended and will demand the increasing participation by lay members in vital negotiations.

We would once again⁴ make it abundantly clear that our proposals envisage that all issues which may affect the livelihood of those who work in the industry must be subject to the process of free collective bargaining. So called 'managerial prerogatives' will be, as we say earlier, quite alien to the whole approach and philosophy we are advocating.

Procedures

The negotiation of, and changes in, procedure agreements are of course, and will remain, a matter for the trade unions concerned. Apart from what we have said above we would only offer the comment that there may still be a need to spell out a clear 'status-quo' clause in all procedure agreements. Essentially as the TUC point out⁵ the status quo issue has been an argument about management prerogatives. The General Council of the TUC has produced a model status quo clause which with refinement could be a part of procedure agreements in the industry.⁶

Facilities for trade union negotiators, shop stewards, etc.

Here again the TUC reports, trade union handbooks and other documents spell out the minimum facilities which should be provided for trade union representatives and the members they represent. The detailed requirements can only be

determined by the organisations concerned at office and shop floor level. We would however expect the Controlling Council (in our proposals) to ensure that the industry and plant management executives conduct negotiations in this area (as in others) with the aim of creating an environment within which the process of collective bargaining would serve as a worthy example to be followed by other industries and firms.

Disclosure of Information

Disclosure of information — ‘opening the books’ — is a demand that has been made by trade unionists over many years. The TUC for example insists that information means potential power.

“The provision of information direct to workers on negotiations could provide the potential basis for a degree of de facto control over aspects of a company’s activities”.⁷

At the same time the TUC report on Industrial Democracy suggests that “information to be disclosed would be determined by negotiators for themselves” and the Report draws attention to the list set out in ‘Good Industrial Relations’ which, while not being comprehensive or exclusive, indicates “the range of topics on which information should be provided”.

Our proposals make it quite clear that the elected member of the Controlling Council will be furnished with all the information he or she requires. At the same time the elected representative will continually report back to his or her ‘constituents’, shop stewards meetings and the like. Unless the Controlling Council so determine all the information will be made available at the ‘grass roots level’ via the ‘reporting-back’ sessions. To that extent therefore disclosure of information will take on a new and more important dimension. Alongside this we would envisage the Controlling Council instructing management at all levels to provide to the trade unions all the information which is necessary to carry out meaningful and effective collective bargaining. In addition the Controlling Council will have the opportunity to make freely available all information and proposals which may affect the working lives of those who work in the industry. This will be an essential pre-requisite in the attempt to create an environment of real involvement and control as against the frustration and alienation which dominates the present industrial scene.

Wages and Salaries

In brief general terms the earnings of manual workers in the aerospace industry for the standard working week are at present made up of an industry-wide minimum earning level supplemented by a diversity of locally negotiated payments which might be based on payments by results, bonus systems, measured day work, job evaluation etc. For non-manual workers there are company and/or establishment salary structures, based on job classifications, gradings, job evaluation, age and wage scales, merit payments and so on. It hardly needs to be said that locally negotiated supplements vary considerably in terms of the earning levels of individual workers. Information on payments by results for example indicates that bonuses can vary

between less than 10 and more than 60% of a workers gross pay. But all this of course is so familiar to those who work in the industry that we have no need to pursue it further.

In terms of our proposals it might be argued that as a long-term objective trade unions should be seeking an industry wide job classification with "the rate for the job" irrespective of establishment or area. This it might be said is more 'equitable', or that it would make an important contribution in terms of planning and predicting the total wages bill and that while local bargaining is essential to defend and improve workers earnings in privately owned industry it would not be necessary under public ownership. As a group we did not find these and other arguments in favour of nationally-determined rates which operate in certain areas of the public sector, as sufficiently convincing. In our view, local bargaining via piecework systems and the like, has been and still is an important basic element in the development of joint regulation involvement and control on the shop floor and in the office. At the same time national negotiating bodies, whether they be Whitley Councils, NJIC's and the like have become more and more remote.

Management – Staff – Manual and other distinctions in working conditions

It hardly needs to be said that we would expect the Controlling Council to instruct the industry management executive to initiate an on-going process of negotiations with the trade unions which would have as its ultimate aims the abolition of the many distinctions which exist at different levels in the industry, in terms of hours, pension rights, sick-pay, holidays, canteen facilities etc. where these are not based on a common yardstick. As good trade unionists we would, of course, insist on a 'levelling-up' process where this was applicable but certain divisive managerial privileges however could no longer be tolerated.

Role of Controlling Council in Collective Bargaining

Earlier (page 20) we state that in our view the Controlling Council would only expect to become directly involved in collective bargaining if there was a failure to resolve a major issue. The reader no doubt will question what is meant here by a 'major issue'.

We would suggest that if this question is posed on the basis of the implementation of our proposals then experience and common-sense will find the answer. We believe this because in brief our proposals:

1. make it absolutely clear that the Controlling Council having appointed the Industry Management Executive, would expect it, along with local management, to get on with the job of day-to-day management decisions and
2. the Controlling Council will be the overall decision and policy making body in the industry, its time and energies must be devoted to that purpose and it must not therefore become an additional stage in a disputes procedure or take on some kind of 'central-conference' role.

FOOTNOTES

1. See page 24.
2. Draft Report by CSEU, Labour Party and TUC (1974).
3. TUC, *Report on Industrial Democracy*.
4. See page 21.
5. TUC, *Report on Industrial Democracy*.
6. See *Good Industrial Relations Guide*, TUC 1971.
7. Para 17 TUC, *Report on Industrial Democracy*, (1974).

Statistical Appendix

Employment in Aerospace Equipment Manufacturing and Repairing

The employment statistics which are published in the Department of Employment Gazette are taken from the Annual Census of Employment. The figures refer only to those persons employed by companies specifically involved in the aerospace industry.

Estimated Number of Employees in Aerospace Industry, Great Britain, 1968-1974.

	<i>thousands</i>		
	<i>Males</i>	<i>Females</i>	<i>Total</i>
April 1968	209.4	35.8	245.2
April 1969	203.9	35.0	238.9
April 1970	198.6	33.0	231.6
April 1971	187.5	29.7	217.2
April 1972	180.4	26.3	206.6
April 1973	172.2	25.2	197.4
April 1974	172.1	26.1	198.2

Source: *Department of Employment Gazette* – totals subject to revision as Census of Employment figures become available.

Numbers Employed in United Kingdom Aircraft Industry

	<i>Great Britain SIC 383</i>	<i>Short Bros. & Harland N. Ireland</i>	<i>Total UK</i>
June 1949	178,000	5,315	183,315
June 1953	254,000	7,664	261,664
June 1957	303,000	8,936	311,936
June 1961	297,500	6,690	304,190
June 1965	251,200	7,825	259,025

Source: *Report of The Committee of Inquiry into the Aircraft Industry* (Plowden Report), 1965.

Regional analysis of employees in Aerospace Industry, June 1973

thousands			
South East	53.0	Yorks and Humberside	11.2
East Anglia	**	North West	29.4
South West	38.5	North	1.5
West Midlands	20.3	Wales	4.0
East Midlands	24.3	Scotland	12.3

Source: *Department of Employment Gazette*, June 1974.

(** Under 1,000 or not available due to small number of firms in this classification).

Employment – major firms in the industry

Employed in the United Kingdom – average number of employees per week

	1973
British Aircraft Corporation	34,000
Hawker Siddeley Aviation	32,000
Rolls Royce (1971) Ltd.	63,000
Short Bros.	5,400
Westland Aircraft	6,200

Source: Company Annual Reports and Moodies Company Cards.

Unemployment in the industry – 1971-74

	Great Britain			United Kingdom		
	Males	Females	Total	Males	Females	Total
May 1971	6533	679	7212	6683	712	7395
May 1972	5124	393	5517	5244	422	5666
May 1973	2631	195	2826	2703	216	2919
May 1974	1807	132	1939	1855	138	1993

Source: *Department of Employment Gazette*.

Sales of Aerospace Products by United Kingdom Manufacturers

Coverage: The figures of Sales, Work in Progress and Goods on Hand for Sale relate to establishments in the United Kingdom employing 25 or more persons, classified to Minimum List Heading 383 by virtue of their main business activity, viz the manufacture and repair of aerospace products. These establishments are thought to account for 99.2% of employment in all establishments classified to the industry. The Sales Figures also include sales of principal products of minimum list heading 383 by establishments classified to other industries which are now included in the new system of quarterly inquiries – (see *Business Monitor*, P.Q. 383).

Analysis of Turnover of Principal UK Manufactures of Aerospace Products, 1972 and 1973.

<i>Sales of Aerospace Products</i>	<i>No. of Enterprises¹</i>	<i>£ thousands</i>	
		<i>1972</i>	<i>1973</i>
Complete Aircraft, new and re-conditioned helicopters, gliders, sailplanes and complete airframes	10	120,409	123,335
Aircraft Parts	78	158,135	142,788
Hovercraft (Complete & Parts)	6	5,526	2,605
Aero-Engines Complete New:			
For Non-Aeronautical use		9,901	7,414
For Aeronautical use		87,385	120,514
Reconditioned		2098	1290
Parts	50	197,035	219,118
Guided Weapons and Parts	40	65,085	83,503
Other Products (miscell) ²		39,439	39,523
<i>Work Done</i>			
Development and Experimental Under HM Government Contracts	23	146,591	147,828
Other Customers	26	26,331	24,887
Repairs, Modifications Aero			
Engines and Parts	24	55,788	58,373
Repairs, Modifications other	45	57,266	65,054
Other Work Done Aeronautical	36	12,938	17,854
Non Aeronautical	46	17,653	19,095
<i>Total Sales of Principal Products and Work Done</i>		1001,577	1073,180

<i>Sales of Aerospace Products</i>	<i>No. of Enterprises</i>	<i>£ thousands</i>	
		<i>1972</i>	<i>1973</i>
Brought Forward (see previous page)		1001,577	1073,180
Sales of principal products of other industries by establishments classified to MLH 383		51,945	44,191
Services Rendered to other organisations	23	7,178	20,328
Sales of goods merchanted or factored	36	36,735	33,902
		<hr/>	<hr/>
		1097,444	1171,601
<i>Less sales (included above) of principal products of MLH 323 by establishments classified to other industries</i>		40,095	46,228
		<hr/>	<hr/>
<i>Total Sales and Work Done by Establishments Classified to the Aerospace Industry MLH383</i>		1057,340	1125,373
		<hr/>	<hr/>

1. An enterprise comprises one or more establishments under common ownership or control.
2. Includes e.g. space equipment (18 establishments) Waste products (39 establishments). All other Goods (52 establishments).

Source: *Business Monitor* PQ 383 Aerospace Products Fourth Quarter 1973, Department of Industry (HMSO) July 1974.

Exports (FOB) (Including Re-Exports) of Aerospace Products, 1972 and 1973.

	<i>1972</i> <i>£000's</i>	<i>1973</i> <i>£000's</i>
Aero Engines:		
New	69,498	80,696
Parts	70,569	105,391
Aircraft, New Complete (Including Balloons and Airships)	51,225	90,946
Aircraft Parts	141,483	155,744
Total Exports and Re-Exports	332,775	432,777
Used Aero-Engines (Not Included Above)	51,431	55,124

Source: *Overseas Trade Statistics*

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