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THE ECONOMIC LEAGUE: THE NEED FOR A CHANGE IN DIRECTION

This Report has been circulated to:-

THE CENTRAL COUNCIL

The President

The Vice-Presidents

The Chairman

Present and recent Members of the Central Council

REGIONAL COUNCILS

Regional Presidents

Regional Chairmen

THE ECONOMIC LEAGUE

THE PAST FIVE YEARS

Until 1980 the Economic League regularly published details of its staff and activities in its Annual Review. Since 1980 no such information has been available.

Copies of the League's Annual Report and Accounts have not been filed at Companies House since 1979.

The result is that neither member companies, nor prospective members, have any idea of the scale of the League's services or income.

The facts are extremely disturbing. As will be seen from the following report, the range and scale of the League's services to industry have declined dramatically over the past five years. Some of its key services, such as works gate leaflet distributions, training and management advisory services have virtually disintegrated. Other services have been allowed to decline, or are being run un-professionally.

The Economic League's most prosperous Region has been destroyed. Another Region has not a single full-time employee. It is not surprising that the League has stopped publishing figures of its staff. Current figures would show that far more staff and money are engaged on administration and subscription-raising than on providing services for member companies.

Within the League there is no confidence among senior executives in the Director-General, his leadership, or his ability to put the League back on its feet.

This disenchantment with the Director-General is shared by a number of members of Regional Councils and also by members of the League's Central Council.

It is time for a change at the top.

This report is, regrettably, rather long. But it has been felt important to give some of the background to the above summary, so that the facts can be seen in perspective.

It is hoped that, when you have considered it, you will get in touch with the League's President, and let him have any comments and suggestions you may have.

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INFORMATION FOR INDUSTRIAL EMPLOYEES

Leaflets distributed in 1978 - 18.26 million

" " " 1983 - 1 million

Background: The Economic League's raison d'etre has, for 60 years, been its ability to give facts to shop-floor employees on a national scale. It counters extremists on their home ground - at the works gates.

In his speech to the League's AGM in 1980, the League's President said:- "The mass of shop-floor workers have only one source of economic wisdom directed specifically at them. And that is provided by the Economic League.... Leaflets play an important part in the battle to turn people's minds in the direction of economic sanity and away from the soft options of the 'nanny state'."

He went on to point out the great value of leaflets in countering subversion and concluded, "By any standard, this is vital work."

The League's Chairman echoed these remarks in the 1980 Annual Review when he said, "Only the League carries it (the economic message) every working day of the year.... to the people of this country."

The Director-General himself has spoken on countless occasions of the importance of leaflet distributions. Indeed, it was he who had a survey carried out which showed that every leaflet was read by an average of 2.5 people.

If, as prominent industrialists on the Central Council believe, these works-gate leaflet distributions are of "vital importance", why has the League's most potent and effective method of mass education been allowed to collapse? Why has the League left the factory gate clear for agitators and subversives? Indeed, what is the point of distributing leaflets at all when only about 90,000 copies of each leaflet are printed? They can make very little impact on the mass of shop-floor workers, who will never see one.

The risks of abandoning leaflet distributions are:-

1. The League loses its most potent and direct method of informing and influencing shop-floor employees. Leaflets in the Press are no substitute for face to face meetings. Our leaflets are read; those in the Press may or may not be.

2. The League is no longer able to counter extremists at the works gate.

3. It is no longer able to inform companies of the attitude of shop-floor employees to current issues.

4. It is unable to pass information back to Research Department about local extremists.

5. Major supporters, such as Banks and Insurance Companies, have always supported the League because they believe in the importance of its factory gate work. There would be little reason for them to continue this support if the League abandons the works gate.

APPRENTICE TRAINING

Apprentices attending Economic League courses in	1978	- 11,500
" " " " " "	1983*	- 1,000?
Apprentice publication "News & Views"	1978	- 44,520
" " " "	1983	- None

An important activity, developed by the Economic League from the early 1950s, was apprentice training. Courses were run to give information on elementary economics, the function of management, the role of profits, etc., so that young people would enter industry with a sound, balanced view. These talks were reinforced by a special publication "News and Views".

At its peak, the League employed over 30 full-time training officers. Now there is hardly one full-time training officer left, apprentice classes have dwindled to a trickle and the publication has been discontinued. The minds of young people have been left to pick up what information they can on the shop floor.

SUPERVISOR TRAINING

Supervisors attending Economic League Courses in	1978	- 1,574
" " " " "	1983*	- Almost none.
Supervisor publication "Supernews"	1978	- 54,600
" " "	1983	- None

Superisor training in the League has virtually ceased. Yet it is the supervisor who has to take the strain on the shop floor in industrial relations situations.

The Director-General, Peter Savill, in the League's Annual Review for 1980 added a footnote to very disappoining training figures, saying that there had been a reduction in training "in order to concentrate on our two main activities - mass communication and research."

The implication is that staff were transferred from training to other functions. They were not. "Mass communication" means leaflet distributions. As has been shown above, that activity has declined even more rapidly than training! The number of staff employed by research is considerably less than in 1978.

Conclusion: Training has been virtually abandoned by the League. It is an expensive exercise, but well worth making an effort to do.

* Precise 1983 figures not available

MIDDLE AND SENIOR MANAGEMENT

Managers attending League courses in 1978 - 3,578
" " " " 1983 - Very few - figures not available

Publication - 2-Minute News Review 1978 - 102,342
" " " " 1983 - 75,000

Most of the training carried out for senior and middle managers has been done by the staff of London Region. It has been concerned mainly with new industrial relations legislation, but also concentrated on improving the negotiating skills of managers who had to deal with trade union officials.

In addition to these courses, London Region also had a staff, in 1978, of eight senior managers and ex-trade union officials to help and advise companies on aspects of industrial relations and on personnel matters.

The Director-General disbanded this service at the end of 1983. The staff were declared redundant.

The circulation of the League's monthly publication on extremist activities has declined considerably over the past five years. Either the interest in extremism has declined during this period, or readers find the publication boring and repetitive. Probably both. There may be more extremist organisations than ever, but their impact on industry is considerably less than it used to be. Consider the past troubles in the docks, motor industry and engineering industry.

SERVICES GROUP

Some years ago, a group of major construction companies put up a substantial sum in extra subscriptions to enable the League to employ a man in each of its Regions to look after their interests. The League also employed a National Co-ordinator to organise the activities of this specialist staff.

Today, there is not a single man in any Region who devotes his time solely to the interests of these construction industry companies. Almost no special work is being done for these companies, except that they are invited to occasional lunches to meet colleagues from companies in this Group - and pay for their lunches as well! As one Personnel Director said, "It is a complete waste of time and money. But my Chairman, who hasn't a clue that he is paying for nothing, likes the idea. And I am certainly not going to fall out with him over it!"

The League obviously doesn't take it very seriously either - the National Co-ordinator is the Director of the South-East Region, who should, and does, have a full-time job on his hands running his Region.

But the money comes in handy to the League's head office! Another case of substantial subscriptions for very little work.

LABOUR SCREENING

The Director-General took over Research work (screening of labour) from London Region in 1980. He re-located the offices in Thornton Heath, away from the League's other offices, in an effort to give greater security. This simply has not worked. The Research Department has been the subject of frequent comment in recent years in papers ranging from the 'Morning Star' to the 'Financial Times'.

In 1978 London Region had four men who had professional security or police backgound working in the Research Department. Since the Director-General assumed responsibility for the department, all the professionals have left. The department has been run by a part-time staff of four girls, one full-time girl, who has recently resigned, and a man who has had other duties to perform and who spends three days a week, at most, in the department. Neither is he a security expert. In short, there is not a single professionally-trained security or counter-subversive member of the staff in this department. And this is the department upon which all Regions rely to produce the bulk of their income.

It is perhaps significant that all the "Cowley Moles" were checked by this department, and none of them was identified!

The flow of information into the Research Department, prior to 1978 came from London Region's contacts with official sources, information gathered by the League's staff in the Regions, information from member companies and from the League's study of the publications of extremist organisations. The official sources of information have now virtually dried up, as they were confidential to the old London Region professional staff. Information from the Regions is also drying up, with the reduction in the League's regional staff. For example, the leaflet distributors used to be responsible for obtaining information on the extremist candidates standing in all local and general elections. As each candidate had ten supporters, whose names were published, this provided an enormous in-put about extremists throughout the country. But, in the General Election of 1983, very little information was fed into the League's system, as there were practically no spare people on the ground to go round gathering information.

In short, the information coming into the Research Department is much less complete than it used to be. Companies that screen their labour are therefore at much greater risk of taking on undesirable employees than they used to be. For example, the "Cowley Moles".

Since the Regions cannot raise subscriptions from companies on the grounds that they do works-gate leaflet distributions, or training, or offer industrial relations advice, all of which have been run right down, or disbanded, they have to rely exclusively on the income from labour screening. This is the one service for which companies are prepared to pay.

And yet little effort is being made to keep this service up-to-date, or to improve it. Indeed, the Director-General has just given the head of this department written instructions to spend two days a week on other aspects of the League's work!

REGIONAL ORGANISATION

Over the years, the Economic League has reduced the number of its Regions by amalgamating two or three smaller Regions into one larger Region. This had had the advantage of reducing administrative costs and strengthening the finances and services offered by the new, larger Regions.

The Regions have always enjoyed a great degree of autonomy. It has been felt by the League's head office that the Regional Director and his Regional Council knew what services were required locally by their member companies.

Under Peter Savill this situation has changed. He has interfered in Regional affairs to an increasing extent, has centralised functions, such as labour screening, which were previously being very efficiently run by the Regions, and has sought to impose his ideas on Regional Councils.

Peter Savill is already directly responsible for the affairs of two Regions, which have, for some years, been controlled by Central Council. These are Western and Midland Regions.

Western Region, which at one time had a staff of fifteen people, and was certainly in double figures in 1978, now has a part-time Regional Executive (over retiring age) and a part-time secretary. That is all! Apart from running a couple of courses for apprentices at Bristol University, it has no-one to do any work for member companies. A large slice of its supporters' money is now channelled into the funds of head office. Subscriptions are not being used to provide regional services.

Midland Region has fared rather better, but is failing to raise its income. There is now talk of further redundancies there.

But Peter Savill's greatest interference concerns London Region. It has been said within the League over the years that his aim has been to destroy London & South East Region, because he was jealous of its strength. He has got rid of two of its Directors and is now angling to get rid of a third.

In 1978 London Region had an income in excess of £250,000 - roughly one-third of the League's total income, and about as much as all the other Regions put together. It had a staff of over forty people. It ran and co-ordinated all the League's labour screening activities. It had four professional security men on its staff. It had well over 600 member companies.

Today, what is left of London Region has a Regional Director, an Assistant Director, a secretary and a part-time subscription-raiser. That is all! There is no-one to do any work for the 180 companies that remain, except the Assistant Director, who reaches retiring age this year. The labour-screening activities are run by head office and, because they are not properly supervised or administered, are failing to glean available information. Its management advisory division has just been disbanded by the Director-General. It has moved into smaller and smaller offices four times in as many years, and is now looking to move again.

What was the League's most dynamic Region is now hardly viable.

At the end of 1983, Peter Savill created a new "Eastern Region". To use his own words in the Annual Review, it was "to meet the growing demand for the League' services in the Eastern Home Counties and East Anglia."

The League has, for many years, had a small number of member companies in East Anglia. But, because they are relatively few in number and because of the distances between one industrial centre and another, it has been considered uneconomic to provide the range of the League's services there. Hitherto, London & South Eastern Region has provided all the services for member companies in Essex and the Home Counties. Indeed, it had an office in Hertford until 1980, when it was closed down on the instructions of Peter Savill.

In order to justify the creation of the new Eastern Region, the Director-General has taken some 220 member companies away from London Region and handed them over to the new Region. The "demand for the League's services" will be met by the new Regional Director (who is 65 and says that he will retire in two years' time!) and his assistant. That is all the staff. The offices of the new Region are in the League's head office and the Regional Director will be only part-time, as he has been told to continue to raise money for the League's head office as well!

The result of this reorganisation is virtually to wipe out the old, thriving, London Region, and to create a new Region, in Peter Savill's pocket which, like Western Region, will not have any staff to provide services for member companies.

Instead of pumping more money and effort into building up the League's work in the industrial heartlands of Britain, Peter Savill is frittering away the League's income on a Region which its firmest advocates would hardly describe as an industrial power base. It makes little more sense to have an Eastern Region than it does to have one covering Devon and Cornwall.

REGIONAL DIRECTORS

The Director General issued a directive some years ago that Regional Directors should retire at 65.

The newly appointed Direcor of the Eastern Region reached retirment age about a week after his appointment.

The Regional Executive of Western Region is well over 65, is part-time and is drawing his pension!

Both these Regions are controlled by Peter Savill.

Even when he finds a new outside Director, he seems unable to work with them. In 1979 he appointed the Deputy Chief of Naval Intelligence as Director of London Region. He hailed it as a great coup for the League. Yet, within six months, he had fallen out with his protoge, who resigned, amid much acrimony, after only ninemonths in the job.

He is currently trying to get rid of his successor on the grounds of "disloyalty".

SUBSCRIPTIONS - VALUE FOR MONEY

Those companies, which have been members of the League for many years, such as the major Banks and Insurance companies, and have subscribed to the League because of its work among shop-floor employees, are not getting value for money. The League has practically abandoned the mass-education market.

Certainly it still professes to be countering subversion. But not at the works gate. Nor on industrial housing estates. Nowadays it provides, as it has always done, some information to the national Press and it provides information, through '2-Minute News Review', to managers in industry. But the circulation of that publication has fallen and it is now a monthly, whereas it used to be issued weekly and was highly topical, with plenty of regional information. In short, its effort in the counter-subversive field is a good deal less than it was, and no longer concerns the working man.

As to training, those companies which subsribed to the League because of its impact on both apprentices and supervisors, are getting no value for money at all. Training has virtually ceased. At one time the League had thirty full-time training officers. Now it has none.

Services Group companies are paying twice for nothing. Apart from the odd lunch meeting - say twice a year - they get nothing in exchange for very substantial subscriptions. They could do just as well by retaining their ordinary subscriptions to the League.

The only companies which are getting good value for money are those which make substantial use of the League's labour screening services. But, unless the League takes immediate steps to improve the flow of information into this department and to bring in some professional staff, the subscribers are going to find that they too are employing "moles".

As far as subscribers to the Regions are concerned, some of them are getting very poor value for money. Western Region subscribers are funding the central pool, not their local organisation, which has vanished. Eastern Region subscribers will get no local services, because there are no staff working in the area. Those old London Region companies, which have been transferred to the new Eastern Region, will get no services. Yet, five years ago, they had forty staff working for them, and a local office as well.

The League must, once again, make its regional supporters an absolute priority, because it is its work in the field which companies support, whether they subscribe locally, ot to the head office.

THE DIRECTOR GENERAL

As this report has shown, the present Director-General took over the Economic League at a time when it provided a wide range of services to its member companies. Its income was rising steadily, in line with its membership. Some of the services, such as works gate leaflet distributions and the vetting of labour, were unique.

Today, these services, with the exception of labour screening, are a shadow of what they were.

It would be unfair to ignore the impact of the recession on the League, but the rot had set in before the recession was under way. The responsibility for the League's decline rests squarely at the Director General's door. In the past five years or so, he has destroyed the confidence of the staff by his actions in wrecking London Region and interfering in a number of others. He has offended a number of Regional Council Members - representatives of major industrial companies - who have resigned. He has lost the confidence of a number of members of the Central Council, one of whom recently described the League as the worst administered organisation he had ever had to deal with.

Worst of all, he has completely lost the support of the senior members of the League's staff. At a recent conference of senior staff, the Director General opened proceedings with a speech lasting an hour and a half, telling the staff what a brilliant job he was doing. One of them subsequently compared him to Captain Queeg "shrilly proclaiming what a brilliant Captain he was, blaming his subordinates and incapable of realising that his ship was sinking under him."

A senior member of Central Council staff said that the League was now "conning" companies into joining - there are few services in return for the subscriptions -"by wildly inflating (but not in writing) the scale of the League's activities."

Even companies are noticing the cracks in the wallpaper. One prospective supporter - a major international company - which was introduced by an existing member - was visited by the Director General earlier this year. It questioned him closely about the range and scale of the League's activities. The company described the Director General's replies as "evasive". It did not, and will not, become a member.

A senior Regional Director said that his Region distributes a few leaflets, so that "we can give the impression that we are still at the works gates." The current 1983 Annual Review seeks to give the impression of an organisation bursting with a whole range of activities. But there is not a single statisic in sight! The League's staff are ashamed of it.

This Annual Review is full of platitudes and pious hopes. But the paragraph which re-states the League's aims is of special interest. It says:-

"The League stands unique in both these twin tasks - industrial education and counter-subversion. A national organisation based in the localities, we are able to serve industry both nationally and regionally."

Those words, coming from the Director-General's office, are not honest. The League is not able to serve industry locally, because it has got rid of almost all its works-gate staff, and its training is non-existent. It may be informing management about subversion, but it is no longer able to take any action against subversives at the works gates. Captain Queeg's ship is afloat, but it has lost its power! How can the Director General claim that in either the Western Region, or in the new Eastern Region, neither of which has any working staff, that the League can make the slightest impact on workers at any level?

TIME FOR A CHANGE

The present regime, under Peter Savill, has convinced itself that it is doing a good job. But it is afraid to be measured against the facts contained in this report.

There is a feeling in the League that the great thing is to balance the books. If the accounts look healthy, then the League is in good shape. But companies give subscriptions for the League to do work, not to balance the books. At one time Central Council put over £10,000 into Western Region to help it provide services for its member companies. Now Central Council is making a profit out of Western Region by taking some of the Region's subscription income into its coffers! Is that what Western Region companies subscribe for?

Some years ago, soon after he was appointed, the Director General produced a five-year plan. Nowhere within that plan was there any suggestion that the League's services should be allowed to decline to their present rock-bottom level. He must be judged against his own standards.

It is time that the League took a completely fresh look at what it is doing, and what it should be doing with its present financial resources. Paramount should be the need to provide services to member companies on a regional basis. The interference of the Director General in Regional affairs has done nothing but harm.

There is a need for a change in the direction of the League in order to restore confidence amongst its staff, its Regional Councils and in the Central Council.

TO: THE EDITOR
LABOUR RESEARCH

BRITISH LEYLAND BLACKLIST

Your recent article on "Economic Leak" was very interesting. The following facts may help to fill it out.

The statement by Sir Gerald Thorley that he had "probably" seen the Economic League document is a little extraordinary. The document was sent to him, as President, and to all members of the League's Central Council, who were asked to get in touch with Thorley and give him their views about the very unsatisfactory state of affairs within the League, which this staff report revealed. He is therefore either evasive, or "ga-ga"!

The Economic League staff were, and still are, concerned at the dramatic fall-off in services to member companies, and the pathetic leadership of the present Director-General. They had hoped that the Report would galvanise the League's Council of industrialists into taking some firm action to remedy the situation. But nothing has been done. So resignations have followed - the most notable being that of the Director of what was the League's biggest and wealthiest Region, until Peter Savill (the Director General) destroyed it because he was jealous of its strength - David Laver of London & S.E. Region.

The League is now trying to recruit companies, and retain old ones, by giving them the impression that it can do work for them, or is doing work for industry generally, whereas it has very few staff in the field to do any work. The figures you published speak for themselves.

As for labour screening, this service is based upon records orginally supplied to the League when it recruited a senior Special Branch officer not long after the war. Since then, it has been added to by including the names of "troublemakers" in the original list of known Communist Party members.

The screening is carried out by phoning, or sending lists in to the League's "Research Department", which is at 90 London Road, Thornton Heath, Surrey. Letters are sent to P.O. Box 251, Thornton Heath. The ex-directory phone number is 01.684 7550. Checks are done against a code number given to companies. The present series is in the 2000 range. So an enquiry over the phone against number 2345 might provide an answer.

As for British Leyland, they set up their own company screening system some years ago. It was located in Ware, Herts. under the name of B.G. Research. It initially included all those people whom B.L. would not employ for any reason - stealing company property, troublemakers, dismissed for any reason, etc. And it also included a Telex check to the Economic League aginst its political record and its record of troublemakers. This system was originallyset up by two senior Thames Valley police officers, who have since left, and it is now run by B.L. staff.

The man in charge of the four girls in the League's Thornton Heath office is David Knight-Dewell, who lives at 18 Rickfield, Gossops Green, Crawley, Sussex. Tel:0293 20468