

HOME-TRADE RECESSION PLACES RALEIGH ON FOUR-DAY WEEK

LAST week was the most bewildering and anxious spell that the British motor-cycle and cycle industry and trade has had to endure since the Black Friday of November 18, 1904.

First came the news, on January 16 from the Raleigh workers' side that most of the company's 7,000 employees would be going on a four-day week from January 27. Cycle production at Raleigh was being cut back from 28,000 to 20,000 a week because of a fall in orders and a build up of stocks.

Then Sir Ivan Stedeford, explained that Tube Investments proposed to concentrate cycle manufacture at Nottingham and possibly to retain moped manufacture at Smethwick; after which George Wilson, Raleigh chairman and managing director, said that Sir Ivan's views were a general pattern of development which might take place to implement the integration of the RI-TI Group's cycle interests, but a stage had not been reached where final decisions could be taken.

On January 18, 1,000 workers at the BCC factory at Smethwick stopped work for the rest of the day, in protest against the plan to concentrate cycle production at Nottingham.

Later, George Wilson said that Raleigh greatly regretted having to introduce a four-day week at Nottingham because of the present trade recession. No amount of consultation between workers and management could change the economic facts that had brought about the four-day week.

The next bombshell came with the announcement on Thursday that the Norman works at Ashford—always regarded in the trade as one of the most efficient and profitable concerns in the TI-RI group—would be closing on March 31.

On Monday of this week, a discussion took place at Nottingham on the position, and it was agreed that L. L. Roberts, Raleigh director of factories, would visit Norman Cycles in Ashford upon completion of his investigations, and certainly not later than the middle of February, in order to discuss developments in Ashford so far as the cycle division was concerned. The statement was made jointly by both parties to the discussion. A total of 350 is employed at Ashford.

Meanwhile, 400 out of the 550 workers at the James motor cycle factory at Greet and 30 out of the 100 at Francis and Barnett in Coventry were put on short time.

Comment by IA director Hugh Palin was that the HP restrictions were hitting motor cycles more severely than they hit cars. However, export figures were more encouraging and had helped the industry to avoid serious short-time working so far. For the BSA-Triumph-Ariel group it was reported that there was no short-time working at any of its factories.

Against this background of closures and curtailments, the Government's extension of HP repayment periods to three years on January 19 did little to relieve the recession in two-wheeler sales brought about by its restrictive regulations of April, 1960.

MAXIMUM REPAYMENTS NOW THREE YEARS

The changes announced on January 19 by the Rt. Hon. Reginald Maudling, MP, president of the Board of Trade, extend the maximum period for the payment of the balance due under HP and credit-sale agreements to three years for goods for which a two-year period was previously specified.

Hiring agreements (mainly of concern to the TV trade) under which the lowest rental is less than 25 per cent of the highest rental during the period of the agreement are now prohibited. It is also provided that the payment of an amount equivalent to the advance rental is to be made where a person is in possession of scheduled goods for 14 days or more in anticipation of the making of a hiring agreement.

Our legal adviser comments:

The provision in the new Control of Hiring (Amendment) Order which requires payment of advance rentals where the hirer is to be in possession of goods for 14 days or more, in anticipation of the making of a hiring agreement, does not affect short term rental agreements. These are agreements in respect of motor vehicles where the hirer is in possession for not more than 30 days in any period of one year.

The new Orders are the Hire Purchase and Credit Sale Agreements (Control) (Amendment) Order 1961 (SI 1961 No. 53, twopence; by post fourpence) and the Control of Hiring (Amendment) Order 1961 (SI 1961, No. 54, price threepence; by post fivepence). The Orders are obtainable from HMSO.

The minimum rates of deposit remain at 10 per cent on bicycles and juvenile tricycles, and at 20 per cent on motor-cycles, three-wheelers, scooters, sidecars, and mopeds.

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