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GOVERNMENT-FINANCED FACTORIES
AND THE ESTABLISHMENT OF
INDUSTRIES BY REFUGEES IN THE SPECIAL AREAS
OF THE NORTH OF ENGLAND 1937 - 1961

Submitted for the Degree of M.Phil.
in the University of Durham

by

Herbert Loeb1 OBE BSc

February 1978

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A B S T R A C T

of Thesis

Government-financed Factories and the Establishment of Industries by
Refugees in the Special Areas of the North of England, 1937 - 1961Submitted for the Degree of M.Phil. by Herbert Loeb1 OBE, BSc.

The industries established by refugees who arrived in Britain before, and to a smaller extent, during and after World War II have become part of the industrial history of the Special or Development Areas of the North of England and of their efforts to change their industrial structure.

The foundation of these industries was closely connected with the establishment of Government-financed factories and with the provision of other inducements aimed at facilitating this change.

The causes and effects of the industrial decline and of the depression which forced the State to intervene are examined, as also the first Special Areas legislation of 1934 and of the Government-financed factories on Trading Estates and elsewhere which resulted from this legislation. The problem of finance for the new ventures and partial solutions are briefly outlined. The Special Areas Amendment Act 1937 and its consequences are discussed.

The appearance of refugees in Britain after 1933 cannot be properly understood without some discussion of the background. We give, therefore, a brief outline of the origin of the refugee problem and discuss British policies towards refugees at some length. We examine public and private attitudes and trace the development of the refugee problem in the light of political events in Europe after 1933. We contrast the welcome given to refugee industrialists with the general policy, provided they were willing to settle in one of the depressed areas of Britain. The start of refugee industries in the North is described next, as are some of their problems, both those which were intrinsic and those which were created by the War. The work of the Refugee Industries Committee is examined in some detail. Post-War developments of firms started before and after the War are briefly described.

Next, we are summing up the information arising from the Case Histories which we collected. We discuss aspects of the settlement of refugee industries and justify our view that this settlement has been successful.

The Case Histories of all firms founded by refugees and still in existence in the North on 1 November 1974 follow, as also brief notes on firms which were no longer in existence on that date.

Our study ends with some general conclusions. The appendices provide data in support of some of our findings, as also some documents which are unlikely to be available even to the more specialised students of this general subject.

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Otto Secher CBE	Formerly Chairman and Managing Director, Marchon Products Ltd
S.E. Muse	Research Officer, Dept. of Industry, North Regional Office, Newcastle upon Tyne
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Prof. G.H.J. Daysh CBE	Formerly Professor of Geography and Pro-Vice Chancellor, University of Newcastle upon Tyne
Prof. E. Allen	Formerly Professor of Economics, University of Durham
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The family of the late Stanley Holmes,	formerly Secretary, Tyneside Industrial Development Board
Dr. R. Munster	Formerly Secretary of the Committee for Development from Overseas (Refugee Industries Committee)
Lady K. Forster	Widow of the late Sir Sadler Forster CBE
The late H.J. Whitehouse	Sales Manager of North Eastern Trading Estates Ltd from 1937, later Secretary and Dep. Gen. Manager
Sir Horace Heyman	Chairman (1971 - 1977) of the English Industrial Estates Corporation
and the following officers	of the Corporation:
W. Bevan CBE	Chief Executive
J. Anderson	Commercial Director
F.J. Donnelly	Manager, Team Valley Trading Estate
J. McBain	Manager, Cumbria
R. Lonsdale	Manager, Teesside
R. Hall	Public Relations (old records)
Miss I. Lough	Secretary to the Chairman, and to the late Sir Sadler Forster

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T.H. East	Assistant Records Officer, Home Office
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J. Gerstle	Managing Director, Toilet Goods Mfg. Co. Ltd
Dr. W. Rosenstock	Association of Jewish Refugees in Great Britain
Mrs. Margot Pottlitzer	" " " " "

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The Archivists at

Tyne and Wear County Archives, Newcastle upon Tyne

Cumbria County Archives, Carlisle

List of Abbreviations used in the References

Documents in the Public Record Office

BT	Board of Trade
CAB, C.P.	Cabinet Papers
FO	Foreign Office
HO	Home Office
T	Treasury

Other References

CSAEW	Commissioner for the Special Areas of England and Wales
H.C. Deb.	Hansard, House of Commons Debates, 5th Series
H.L. Deb.	Hansard, House of Lords Debates
HMSO	His Majesty's Stationery Office
WH	Weizmann Archives
ZA	The Central Zionist Archives

Where a Government Department or other official body is quoted in full, it indicates that the documents were not available at the Public Record Office or were obtained from the Departments or bodies concerned.

CHAPTER 1 : INTRODUCTION

Background

There are many examples in history of the involuntary movement of people unconnected with war or with natural disasters. The reasons for such movements included religious or political persecution, and restriction of trade applied to special groups.

" The cause of every refugee movement is tyranny of one kind or another"

wrote Sir John Hope Simpson in 1938,

" The latest form is due to the new doctrine of nationalism, which has resulted in the deification of the State and the exclusion of all conflicting loyalties, whether political, social or religious. An extreme manifestation is the claim to racial unity ..." 1)

There are no parallels in Europe with the nature of the movement of people triggered off by the insane race theories advanced by German National Socialism and put into practice, step by step, after Hitler came to power in Germany in January 1933.

" Part of the refugee movement, but a relatively small part, has been of people unwilling to conform to the new political creed; only complete submission would have enabled them to remain in safety. Another element has consisted of persons whose political past as leaders in pre-Nazi Germany endangered their lives or their freedom and compelled their flight. But the greater part of the refugees have been Jews, whose alleged fault was not of their own making, as no man chooses his parents or grandparents. Persecution for political opinions can, in some cases, be avoided by submission; persecution on the ground of 'race' admits of no escape." 2)

We shall examine the systematic way in which people whose families had in most cases been settled in the German-speaking areas of Europe of more than 1000 years were turned into outlaws.

The barbarism which was being resurrected in what had been considered the civilised heart of Europe took the threatened people by surprise, with the result that most of them did not attempt to escape while this might still have been possible. The rest of the world either did not understand what was going on or, in pursuit of high politics, closed its eyes and ears and made escape difficult or impossible.

The pre-War invasions by Nazi Germany greatly extended the boundaries of its tyranny; it created fear among people and compliance by Governments in adjoining countries. Even before the War closed all routes of escapes, it was too late for all but a limited number to reach safety.

The situation developed into one of the darkest - perhaps the darkest - episodes in European history, leading to the carefully organised murder of 6 million men, women and children.

An examination of the causes of the rise of Nazism in Germany lies outside the scope of the present work, but one of the factors in the complex of reasons was the economic depression after 1929 and the industrial and social problems to which it gave rise. The same problems had to be faced by all industrial countries in the world. While in Britain the level of unemployment did not reach that which existed in Germany at the worst time, there were areas where it was even higher. These were the older industrial areas like the North East of England, West Cumberland, South Wales and parts of Scotland. What was worse, the unemployment in these areas remained at a very high level when the rest of the country began to recover strongly and showed no signs of improvement until the start of re-armament after 1935.

The problem of the depressed areas attracted much attention, but its uniqueness in British industrial history - both in complexity and in scale - made it impossible to rely on solutions based on past experience.

By 1934, the National Government led by Mr. Ramsay MacDonald concluded that some special action was required if the human misery in the depressed areas was to be alleviated and the economic waste represented by heavy and chronic unemployment reduced.

Investigators were appointed in April 1934 to report on the state of the depressed areas. Their reports were available in the autumn of that year and in December the first Special Areas Act was passed.

The Act provided for the appointment of two Commissioners, - one for England and Wales and one for Scotland - who were to co-ordinate all activities in pursuit of solutions of the problems of the depressed areas.

The Act - at least in principle - gave powers to the Commissioners which were unique in time of peace.

The Commissioners were forced by circumstance, and by the limitations which were soon found to be inherent in the Act, to concentrate initially on short-term relief measures, but gradually a longer-term strategy was evolved. They examined and reported on the problems of the Areas in a wider context and much of the post-war legislation concerning the Special Areas can be traced back to their work between 1935 and 1939.

Looking back over more than 40 years, no single idea proved eventually to have as much impact on the economies of these Areas as the provision of Government-financed factories on Trading Estates and other sites under the 1934 and later Special Area Acts. A location of industry policy would have been impossible without them. Not only did the new factories establish some useful employment relatively quickly, but this employment was in industries new to the areas and of a very different kind from those on which these Areas had until then depended. More than that, the Trading Estates,

with their new concepts of factory lay-out, roads and green spaces, created working environments which were in advance of anything even in the more prosperous parts of Britain and this helped to change the image of the Areas, making them more attractive as industrial locations, even if this process was slow.

The Special Areas legislation of 1937 initiated the principle of financial inducements for firms coming to or expanding in the Special Areas.

The first Government-financed Trading Estate in the North, and indeed in Britain, to be built under the Special Areas Act 1934 was at Team Valley, Gateshead. The first factories were completed by the middle of 1937. Other, smaller, Estates in the North East were being built at St. Helen's Auckland in South West Durham, at Chirton (North Shields), and at Pallion (Sunderland) before the War. In West Cumberland, the construction of Government-financed factories and the conversion of old buildings for industrial use commenced towards the end of 1937.

By this time, many Jewish Germans - Austria and Czechoslovakia had not yet been invaded - began to realise that they would have to leave. Some, indeed, had left ever since 1933. But just as the problem was becoming serious, the doors of countries where they might have sought shelter began to close, one by one.

British policy towards aliens who could not return to their countries began to harden. Unemployment was still high, even in the more fortunate parts of Britain and, although

" the theory that for every thousand aliens admitted, a thousand Britons are thrown out of employment is denied alike by economic science and the plainest experience" 3)

it was almost universally accepted by the public.

The number of Jews and others threatened by the Nazis and by the semi-fascist regimes in some Eastern European countries, notably Poland and Rumania, was large. The German currency regulations and, later, the penal taxes imposed on Jews, amounting to the confiscation of their assets, meant that, from now on, refugees would arrive with very small resources and become ever less acceptable for that reason to possible host countries. There was also a fear on the part of British policy makers that a reasonably open door would merely encourage the Nazis and others to push out more penniless refugees.

In 1938, Britain introduced a visa requirement for the first time since 1928; its main purpose was to control the entry of refugees.

Critics of British refugee policy pointed out that the grave problem was created, to some extent, by the policy of appeasing the Nazis - for

reasons we need not examine here -, and by a refusal to stand up to the internal and external excesses perpetrated by the Hitler Government. They saw refugees as victims of British foreign policy and claimed that it was the moral duty of Britain to do what it could to mitigate their suffering.

But morality apart, some critics believed that British refugee policy was also bad economics: To quote Sir Norman Angell and Dorothy F. Buxton:-

" Our refugee policy is based on the assumption that the admission of more than a tiny number would have bad economic results. That opinion is pronounced fallacious by an overwhelming consensus of expert opinion. Considerable immigration at this juncture would be of great economic benefit to this country and Empire. Prompted by an unexamined prejudice, we may at one and the same time inflict infinite misery and damage our own welfare." 4)

But it was not until after the so-called 'Kristallnacht' of 9 November 1938 that refugees were admitted in larger numbers, numbers which increased further after the invasion of Czechoslovakia in March 1939 and at the approach to War.

For the industrialists among the threatened people, the Trading Estates came just in time. While small numbers of refugee industrialists had arrived from Germany ever since 1933 - most of whom settled in the London area -, the authorities now began to show a definite interest in finding refugees who would settle in the Special Areas and start factories, particularly because British firms were generally unwilling to go there.

From the end of 1937 onwards, it became relatively easy for a refugee intending to set up a factory to be allowed to come to Britain, provided he was willing to go to one of the Special Areas.

Before the building of the Trading Estates, there were practically no small modern factories available for rent in the Areas. As the refugees arriving at this time had little or no capital at their disposal, the construction of factories by them would have been out of the question.

The early history of refugee industries in the North - as in other Special Areas - is, therefore, closely connected with the Special Area Acts of 1934 and 1937, and with the Trading Estates resulting directly from the 1934 Act.

But even before the construction of Government-financed factories was agreed at the end of 1935, the Government had indicated that foreigners with experience and with the resources required to set up new industries were welcome in Britain. 5) The Commissioners for the Special Areas were not slow in following up this cue; nor were the newly-founded Development Organisations in the Special Areas unaware of the potential employment which might be created by refugee industrialists and, after the start of the

construction of Trading Estates, their officers made frequent trips to Europe in order to interest threatened industrialists in setting up factories in their areas.

The establishment of new industries is not the only benefit which accrues to any country with a humane attitude towards refugees. Nevertheless, the industrial contribution made by Jewish - and other - refugees who arrived from the domains of the Nazis and from the semi-fascist countries of Eastern Europe had been remarkable by any standards; in 1947, it was estimated that about 1,000 firms were set up in Britain by such refugees, employing 250,000 people. ⁶⁾ The post-War years saw the founding of many industries by refugees who, for one reason or another, were unable to start factories before the War. At the present time, both the number of enterprises and the employment figures are almost certainly much larger than in 1947, although no statistics exist to substantiate this. But even if we accept only the 1947 figures, the number of new jobs created by refugees in their own ventures is several times greater than that of the total number of refugees admitted before (and to a smaller extent during and after) the War, which was estimated at between 80,000 and 90,000 in 1944, including 10,000 unaccompanied children. ⁷⁾

Considering the prejudices and fears, - often expressed with vehemence in the Press and in Parliament - , about the likely effects of the admission of refugees on the difficult employment situation in Britain in the mid-1930's (and again towards the end of the War), this is certainly a gratifying and, for many, an unforeseen result, which would not, however, have surprised Sir Norman Angell and those economists and politicians who thought like him.

Several lessons might be learned from this outcome and while it is not within the scope of our study to examine the springs of industrial and commercial enterprise, we believe that it may be possible to generalise about the enterprise shown by minorities and immigrants, particularly involuntary immigrants - who, by definition, were members of minority groups in their country of origin -, from examples in many different countries and under quite different conditions.

The evidence on which such a generalisation might be based can be seen with particular clarity in the development stage of Western industrial countries and, more recently, in under-developed countries. Elkan, in his Introduction to Development Economics, notes the entrepreneurial role played by minorities - usually of immigrant origins - in such countries and the higher degree of enterprise shown by them than by the population among which they live:-

" Development depends on people who are enterprising. Frequently - but not invariably - an initial upsurge of development is attributable to the enterprise exhibited by some minority group of the population - Chinese in South East Asia, 'Levantine' in West Africa, Asians in East Africa, Parsees in India, Samurai in 19th century Japan, or Non-Conformists in 17th century England -. What they share is neither a common race nor a particular set of beliefs that might predispose them to entrepreneurial aptitudes. They do, however, have in common minority status or 'deviance' and perhaps the resulting feelings of insecurity propel them forward towards economic success in a way that distinguishes them from the rest." 8)

While about 10% of the refugees who came to Britain were not 'racial' refugees, the rest were Jewish or of Jewish origin as defined by the Nazis. These refugees were, in a sense, 'deviants' twice over: They belonged to a minority in the countries from which they came - and where they had already displayed strong entrepreneurial aptitudes, in accordance with Elkan's account; their status as insecure strangers in a foreign land was to be superimposed on the attitudes with which they arrived. This double 'deviance' may well be a part of the explanation for their remarkable enterprise.

Object of the study

It is the basis of our thesis that the need of refugees to find shelter - in a world which was becoming, in practical terms, increasingly indifferent to that need as it became more pressing -, and the need to find new industries in the depressed areas of Britain coincided.

It is our aim to show how the Special Areas policies enabled refugees both to find shelter and, at the same time, to play a part in meeting the needs of the Areas, a part which was modest at the beginning, but which grew to some importance after the War.

Our aim leads us naturally towards an examination both of the problems of refugees - and of British Government responses to these problems -, and of the problems of the depressed areas. The establishment of Government-financed factories was one of the results of the search for solutions to these problems and, since these factories became the main cause of the settlement of refugee industries in the Special Areas of the North, we shall examine their origins and early development. Our thesis is not affected by the fact that a few of the refugee industries in the Areas were established in other than Government-financed factories. Their location was due entirely to Special Areas policies.

There are few references to refugee industries in the many books, reports and articles written since the 1930's on the problems of the depressed areas of Britain. At best, references are made to 'alien' or 'foreign'

firms. So far as we know, this is the first systematic attempt to provide an account of refugee industries in Britain, although it is limited to the Special Areas of the North.

Many of the founders have meanwhile died, and with the changes in ownership which have taken place in the general pattern of mergers and of acquisitions of lively firms by larger groups, the information on which such an account has to be based might have been largely lost within a few years. Indeed, much of it has already been lost.

It was for this reason that this enquiry has been undertaken now. Because of what Sir John Hope Simpson called the 'pandemic' thinking of nations - we shall examine British attitudes towards refugees in some detail -, the admission of refugees came to face increasing opposition before the War. This may have been also due to the fact that the achievements of previous waves of refugees in Britain were forgotten by the general public, and often even by the descendants of those who came as refugees.

It is unlikely that these attitudes will have changed greatly and that they might come to the surface, particularly in times of economic stress, if similar circumstances should arise again. It is hoped that this study may lead to a better appreciation of the problems faced by refugees from Europe before the War and of their achievements in one region of England.

Scope of study

We have already shown that the settlement of refugee industries, at least those of the pre-War period, was one of the results of the efforts to find solutions to the economic problems of the depressed areas of the North, and of other similar areas in Britain.

In Chapter 2, therefore, we examine the causes and effects of the economic problems of the North and their social aspects, as well as some local efforts to improve the situation.

In Chapter 3 we discuss the first steps taken by the State, when it was realised that no solutions could be expected within a tolerable time span without outside help and we trace the beginnings of the Special Areas legislation as well as the origins of Government-financed factories on Trading Estates and elsewhere.

In Chapter 4 we outline the reasons why people had to flee from Europe before the War and their problems in finding shelter, with particular reference to British Refugee Policy, as well as the attitudes of the Press and of special groups.

In Chapter 5 we examine British policy towards refugee industrialists, their arrival and early problems, of which Internment was the most serious.

This Chapter also includes a brief record of the role played by the Refugee Industries Committee. The Chapter ends with a brief look at post-War developments, both of firms founded before the War and those set up afterwards.

In Chapter 6 we are summing up and discuss aspects of the settlement of refugee industries in the context of the Special Areas of the North.

Then follow the case histories of all refugee firms still in existence on the 1 November 1974, the date when we started our enquiry. Brief notes on firms no longer in existence are contained in the last part of our study.

Since we constantly refer to them, we must define what we mean by a refugee and by refugee industries. "A refugee", wrote Sir John Hope Simpson in 1938 - with reference to German refugees -

" might be described as an involuntary migrant. He would rather remain where he is, but conditions religious, economic, political or social have rendered his life there so uncomfortable or, indeed, so unbearable, that he is forced to migrate from his home and to search for more tolerable conditions of life elsewhere. His alternatives to escape may frequently be the concentration camp or suicide. His search is often rendered more difficult in that the ordinary rights of a national are withdrawn from him, he is denationalised, unprovided with the normal travel documents and left to fend for himself by any services of the State to which he belonged. He is an unwanted inhabitant of the world, unwanted in the country of his origin, unwanted by any other country." 9)

It can be argued that being a refugee is a temporary state and that this ends when the refugee has reached safety or, at least, when he has adapted to and been absorbed by the host community. Indeed, one or two former refugees declined to co-operate with us in this enquiry on the grounds that they long ago ceased to consider themselves as refugees and, perhaps, because they did not want to be reminded of the time when they were. But as we are concerned with the economic consequences of the decision by the Government to admit them, we have to take a very long view if we are to come to any conclusions.

The Special Areas legislation in Britain, in one form or another, has now been operating for over 40 years and the restructuring of the formerly depressed areas is still continuing. We shall examine the role which manufacturing (and to a very small extent, service) firms founded by refugees have played in this process. While we shall describe the early history of refugee industries in some detail, we shall not distinguish between those founded before the War and those set up later. Our criteria for inclusion require only that the founders were admitted as refugees (or, in the course of events, became refugees in the sense that they could not return to or live in their countries of origin), that their enterprises were founded

between 1937 and 1961 and that they were still in existence in the North of England on 1 November 1974. We are not concerned with the fact that some of the firms were no longer owned by the founders or their families at that date.

The justification for the time span we have adopted is given later in this Chapter.

We have accepted as refugees not only those who were directly and immediately threatened by the Nazi regime in Germany and in those countries invaded by Germany before the second World War, but also people, mainly of Jewish origin, whose life was made difficult by the semi-fascist regimes in Eastern Europe, particularly Poland and Hungary, who were, in any case, afraid of an early German invasion, which was not long delayed in the case of Poland, and in the case of Hungary led to the same results, so far as Jewish people were concerned. We have also included people of central or eastern European origin, - again mainly Jewish -, who escaped from Europe after the defeat of France, and a few who somehow survived the War in Europe.

Within these criteria we can now give the categories we have been able to discern from our study of refugee industries in the North:

1. Firms which were set up by refugees on arrival from Europe before or during the first few months of the War, whose admission was on the understanding that they would set up factories in one of the Special Areas. Such firms may have been started by refugees entirely on their own or in partnership with British interests.
2. Firms which resulted from 1. For example, two partners may have separated and this caused an additional firm being set up. Again, sons of refugee industrialists - in every case we have studied they were refugees themselves - may have set up firms of their own.
3. Firms which were set up in the North by refugees long after their arrival and whose presence there was unconnected with the conditions of their admission into Britain.
4. Firms which were started by refugees together with British (or foreign) working or financial partners. We have included such firms only after we were satisfied that they would not have started without the initiative of the refugee partner.
5. Firms which were started by refugees in other parts of Britain but were moved to the North under general location of industries policies after the War, or which were set up there under such policies. In both cases, the existence of such enterprises in the North is due to the original admission of their founders as refugees.

6. There are a few cases whose origin was more complex. We have included them only after we were satisfied that they came within our general theme.

We are using the term ' refugee industries ' throughout this work, rather than the more accurate but cumbersome ' refugee industrial firms '.

Inclusion of Case Histories

The collection of the case histories occupied a substantial part of the time we devoted to this study and they represent, in a sense, the most important 'contribution to knowledge' in this thesis. They might be thought to have little bearing on some of the earlier chapters. This is not so. It was often in the course of collecting the information on particular refugee firms that new ideas and avenues of enquiry suggested themselves. At the same time, the case histories confirm many of the events described in the earlier chapters, as experienced by individual refugee industrialists. The histories form an integral part of our thesis and their inclusion is indispensable if both the variety of origins and of approaches to the creation of new enterprises by refugees are to be understood. They form the only complete record of a small but remarkable part of the industrial history of the Special Areas of the North of England of the last 40 years.

But they may have an even wider usefulness: The Special Areas of the North have not been conspicuous in throwing up an adequate number of new, locally-based manufacturing ventures in recent times, yet the importance of a larger number of such new starts is now widely accepted. Our case histories can be looked upon as a case-book of successful new venturing in the Areas.

Period covered by this Study

The period covered by this enquiry and its starting date have been chosen for good reasons: The first Trading Estates factories in the Special Areas in the North became available in the autumn of 1937 - at Team Valley, Gateshead. The West Cumberland Industrial Development Company Ltd was incorporated in August of the same year and was able to provide factory space early in 1938.

Although refugee industries were established in London and elsewhere in Britain before 1937, we have not come across any such industries in the North before that date. This fact indicates the close connection between the establishment of Government-financed factories and the settlement of the early refugee industries in the North and gives us a logical starting date for our enquiry.

The chosen time span of 25 years gives us an opportunity to study

industries which were established by refugees before, during and after the War, as also enterprises set up by the second generation, i.e. by those who arrived as children. By 1961, these had entered their most active years.

The survival criterion means that we are able to look at the performance of the most recent foundations for 13, and of the longest established firms for 37 years. The question of continuity is clearly of great interest and importance, because enterprises which do not survive for many years cannot make a useful contribution to the economy of regions like the North of England.

Geographical Area covered by the Enquiry

When we refer to the North, we mean to describe the administrative region established by the former Department of Economic Affairs during the Labour Government of 1964/66. This covered the administrative counties of Northumberland, Durham, Cumberland, Westmorland and the North Riding of Yorkshire.

Since the re-organisation of Local Government on 1 April 1974, the region is covered by the counties of Northumberland, Tyne and Wear, Durham, Cleveland and Cumbria. These counties cover almost exactly the same area as the counties they replaced.

The designation of the areas covered by the Special Areas Act 1934 has changed at least once during the last 40 years. Their present general designation is 'Development Areas'. In order to avoid any confusion, we have not followed the change and we refer to 'Special Areas', or simply to 'the Areas', throughout.

Only parts of the North enjoyed Special Area status until 1967, when the whole of the North Region, as defined before, became included. Furthermore, the areas included before 1967 changed from time to time, either by Order in Council or as a consequence of new legislation intended to make more fundamental changes in regional policies.

These changes in policy, in designation and in extent have been admirably summarised in a report by the Northern Regional Strategy Team. 10)

We have taken no account of the changes in the extent of the Special Areas. Most of these have taken place since the War and they have hardly altered the pattern of refugee settlement established before the War. We find, for example, that because no Government-financed factories were built on Teesside and in the Darlington areas - these areas were not scheduled Special Areas before the War -, only a few refugee industries were established there up to the end of the period covered by our enquiry, in spite of substantial developments in both places, including the construction of major Trading Estates, since the end of the War.

The settlement of refugee industries took place in two main parts of the North: On the North East Coast, including South West Durham, and in West Cumberland, that is, in those parts of the North most affected by the changes in world trade since the turn of the century and by the business recession of the early 1930's. The problems, - and the organisations set up to deal with them, - were sufficiently distinctive in the two parts of the region, that we found it necessary to describe them separately, within the general picture.

We are well aware that parallel developments - leading to the establishment of refugee industries - occurred in the other Special Areas of Britain within the same time span, i.e. in Wales, in Scotland and, although a special case, in Northern Ireland.

As we were concerned only with the North, we have taken no account of events in these Areas, except in so far as they were common to all Special Areas in Britain.

Notes on Sources

References to sources are given at the end of each chapter. It may be useful, however, to discuss some of the sources and to highlight the more important ones. In passing, we shall also mention some of the difficulties - and successes - in finding material which we considered essential. Some of this information may be of interest to future students of this subject.

Chapter 2

In spite of much help given to us by the family of the late Stanley Holmes, the last secretary of the Tyneside Industrial Development Board, we were unable to trace the files of the Board and we do not know whether they are still in existence. They would have given a detailed record of the efforts of the Board in attracting refugee industries to Tyneside. We are grateful, however, to Mr. E.S. Holmes, the son of Stanley Holmes, for allowing us to have access to a personal file in his possession, which contains the correspondence between Stanley Holmes and a member of the Commercial Counsellor's Department at the British Embassy in Berlin. We have used some of this material in Chapter 5. We were able to find only two of the pre-War annual reports of the Board, which contain some useful material, which we have used in Chapter 3.

Similarly, no complete set of the annual reports of the North East Development Board were available to the public. We are indebted to Prof. G.H.J. Daysh for a complete set, copy of which we deposited in the Local Studies Section at Gateshead Public Library.

The position in Cumberland was found to be more satisfactory: There was close co-operation between the Cumberland Development Council and the West Cumberland Industrial Development Company Ltd, - including some common personnel -, their offices were at the same address (30 Roper Street, Whitehaven), and a kind of successor organisation, the Cumbria Industrial Association, although no longer concerned with development, is still located there 40 years later. The same premises also housed the District Office of the Commissioner for the Special Areas of England and Wales. A few years ago, the remaining files of the Promotion and Development organisations of this small area were deposited at the Cumbria County Archives at the Castle, Carlisle, where they are kept under reference DSO 42 / 1 - 4. We have been able to find much, if not all the information we were looking for. Among the files we could not find, the most significant were those relating to the promotion efforts of the Cumberland Development Council in European countries from which refugees came.

References to the reports by the Commissioner for the Special Areas will be made in our discussion of sources used in Chapter 3.

Chapter 3

The reports of the Investigators appointed by the Government in the Spring of 1934 to put forward proposals for the depressed areas and the 5 reports of the Commissioner for the Special Areas of England and Wales appointed under the Special Areas Act 1934 contain the most complete record available of the social and economic problems of the Areas between 1934 and 1938 and of the attempts made to begin to solve these problems. We have used these sources extensively.

The papers of the late Sir Sadler Forster, who played an important part in persuading Government to establish publicly-financed Trading Estates were destroyed on his death in June 1973. The papers of the late Lord Ridley, Chairman of the North East Development Board and one of the 'elder statesmen' of the North, are in the safe keeping of Emeritus Prof. G.H.J. Daysh, but, according to the wishes of the late Lord Ridley, they are to be kept closed during the lifetime of Prof. Daysh.

The papers of the late Lord Adams, Secretary of the Cumberland Development Council and Managing Director of the West Cumberland Industrial Development Company Ltd, were destroyed on his death in August 1960.

It will be seen, therefore, that much of the information on the origins of the Trading Estates in the North has been lost or is not yet available.

We have been able, however, to submit Chapter 3 to the surviving members of a small group of people who were involved in the events discussed in

this chapter, and in Chapter 2; they included, apart from Professor Daysh, Emeritus Professor E. Allen of Durham University and Col. R.M. Percival, the first secretary of North Eastern Trading Estates Ltd in 1936.

They all provided additional information, corrections and criticism as well as personal recollections.

Chapter 3 was also submitted to the Chairman, Sir Horace Heyman, and to some of the Officers of the English Industrial Estates Corporation (which absorbed North Eastern Trading Estates Ltd in 1960), who provided some facts and made helpful suggestions.

A former Regional Controller of the Department of Trade and Industry (formerly the Board of Trade), Mr. R. Wood, provided important background information after reading the draft of this chapter.

Chapters 4 & 1

Every student of the refugee problem created by Nazi Germany is indebted to the late Sir John Hope Simpson. After a distinguished Civil Service career, he was Vice President of the Refugee Settlement Commission in Athens from 1926 - 1930 and Director General of the Flood Relief Commission in China from 1931 - 1936. By the end of the 1930's, he was considered by many one of the foremost experts on refugee matters of his day.

In 1938, he published a complete record of the pseudo and extra-legal actions taken by Nazi Germany against political and religious dissidents and, particularly, against Jewish Germans and Austrians, in order to draw the attention of the world to the nature and magnitude of the crimes which were being perpetrated against innocent people. ¹¹⁾

Early in 1939, he brought the information up to date by two further publications ^{12), 13)} and he wrote on other occasions to ensure that the British public was well-informed on the problem. ¹⁴⁾ Nor did he disregard the actions of the regimes in some East European countries, nor the plight of refugees anywhere in the world.

In 1938 - on the retirement of Sir Neill Malcolm -, he was being seriously considered as League of Nations High Commissioner for Refugees from Germany, but the Foreign Office objected, because of his "unnecessarily critical views on British refugee policies, which might lead to a difference of opinion with us". ¹⁵⁾

Dr. A.J. Sherman's work on British Refugee Policy from 1933 - 1939 ¹⁶⁾ must be considered the definitive work on the subject and we have quoted from it extensively and used many of the sources to which he drew attention.

Chapter 5

Sherman's work does not, however, provide much information on our special interest, i.e. on policy towards refugee industrialists - perhaps because they represented such a small and special section of the refugee problem - and we believe that the material we have been able to find, with the considerable help of the Records Department at the Home Office, has never been published before.

The English Industrial Estates Corporation made available to us their remaining files on the internment period, as also some papers on the Naturalisation issue.

We were dismayed to find that the files of the Refugee Industries Committee were destroyed when that Committee was disbanded in the early 1950's¹⁷⁾ and we were fortunate, therefore, to find at least some material on the work of the Committee in a 'forgotten' part of a factory of a refugee manufacturer on Tyneside. This material too has been deposited with the Local Studies Section at Gateshead Public Library.

Chapter 7

When we began this study, we had hoped to be able to obtain from the Home Office a complete list of Refugee industrialists who had settled in the North, at least for the period up to 1940. We were confident that, under the 30 year rule introduced by the Public Record Act 1967, the files would be available.

In fact, we found only a few files for the years after 1934 at the Public Record Office and our enquiry at the Home Office resulted in a letter from the Department, which outlined its policy and practice. For the benefit of future students in this field, we have reproduced this letter in Appendix 1.

We had also hoped to have access to the papers of the late Earl Winterton, who, as Chancellor of the Duchy of Lancaster, had special responsibility for the implementation of British Refugee policy, and who, in February 1939, was charged by the Home Secretary to draw public attention to the benefits which refugee industries had brought to Britain. We have failed to find these papers, but in a footnote after the references, we discuss their possible location.

In the absence of any information from the Home Office on refugees who settled in the North and set up industries there, we have had to rely on our personal knowledge of refugee industries in the North East covering a period of 38 years, on information from former refugees, their families, business associates and friends.

As our personal knowledge did not extend to West Cumberland, we have depended greatly on the help and information provided by a number of organisations and individuals. Our prime source of information was the West Cumberland Office of the English Industrial Estates Corporation, whose manager, Mr. J.A. McBain prepared a list of the firms concerned and gave us a broad indication on individuals who might have information. Lord Schon, one of the founders of the largest Refugee enterprise in the North (Marchon) assisted us, and the interest and help of Mr. Otto Secher, lately Chairman of Marchon, gave us access to most of the people concerned, or at least to their friends and associates, and proved to be invaluable. While we believe that our record is complete so far as Tyneside, South-West Durham and West Cumberland are concerned - the pre-War sites of Government-financed factories -, we have had to rely on others with regard to Teesside, Darlington and West Hartlepool, where development was mainly - if not exclusively, after the War and where no Government-financed factories were built before the War. We would not claim that our information on these areas is complete.

Duration of this Enquiry

This enquiry was started on 1 November 1974 and completed on the 1 November 1977.

The starting date proved fortunate, because the onset of a major industrial recession in the middle of 1974 - triggered off by the steep increase in petroleum prices following the Arab-Israeli War of November 1973 - altered the economic circumstances of many of the firms in our case histories, if not of all, in a way which would have made the collection of economic data after 1974 less meaningful in relation to the previous 20 years or so. Indeed, a few of the refugee ventures we have investigated have gone into liquidation since 1974, but we have taken no account of this in our case histories.

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Footnote: The private Papers of the late Lord Winterton

As the Duchy of Lancaster is concerned only with Estate matters, we approached the Royal Commission on Historical Manuscripts. A letter from the Commission of 24 March 1976 stated that Lord Winterton's private papers were left to his literary executor and biographer, Alan Houghton Brodrick, who died in 1973. We were referred to his son, J.A. St.John Brodrick at 33, Chesil Court, London SW3. We hear from him on 4 June 1976. He gave the address of his late father's secretary as a possible location of the papers: Miss Almayrac, Flat 12a, 9, Weymouth Street, London W1. Our enquiries to that address did not, result in any reply.

CHAPTER 2 : DISTRESS IN THE NORTH

The Origins of the Crisis

In this section we shall examine briefly the causes of the economic decline and the high unemployment in parts of the North since the first world War and, particularly, the situation after 1929. In this way, we shall establish the background against which the State at last realised that some areas of the North could not recover from their condition without outside help. The pre-War settlement of refugee industries was one of the results of the actions taken by the Government to assist the recovery of the depressed areas.

While the new rulers of Germany elevated a mediaeval barbarism to the level of State policy, suffering of a different kind had already been endured for some years by many people in parts of Britain and was continuing.

It was not - as in Germany - the result of any deliberate action, but it was suffering on a large scale all the same. Men and women were not intentionally deprived of their livelihood or hounded out of their native places, but large numbers of people were forced to leave the places where they were born and reared in order to seek a way of earning a living. In this way, over 600,000 people left the old industrial areas of Britain between 1921 and 1935 (Appendix 2).

Their plight, and that of refugees from Germany had one common factor: Unemployment. It was certainly one of the causes of the rise of Hitler and, therefore, of the refugee problem, while the unemployed of the North became, in a manner of speaking, refugees in their own country.

So far as the older industrial areas of Britain were concerned, there were, in effect, two distinct crises which coincided:

There was the world-wide business recession from 1929 - 1932/33, and there was the steady decline of the traditional industries of these areas, which began before the first world War but which had become apparent only since its conclusion.

The economic depression was generally thought to be no more than one phase in the alternating movements of prosperity and depression known as the Trade Cycle, the validity and immutability of which was widely accepted in pre-Keynesian days. Although unusually severe and with special features of its own, it was thought likely to be of a temporary nature, as had been the case with previous trade slumps.

The decline of the traditional industries of the North was a different matter: It had been going on for more than a decade and was caused by the continuing changes in the pattern of world trade and in technology.

Ever since the end of the first world war, unemployment in parts of the North had been heavier than in the country as a whole. The best that was to be expected on the turn of the Trade Cycle was a return to the unemployment level of the period immediately before it.

The twin causes of the grave problems of the North require separate examination:

In a summary of the economic background to the depression on the North East Coast, prepared by the staff of the Economics Department of Armstrong College (now the University of Newcastle upon Tyne) in 1935, we read:-

" The world as a whole was in a prosperous condition between 1926 and 1929. The ravages of the Great War appeared to have been more than made good. Between 1919 and 1925, world production had increased to a greater extent than world population. By 1928, depreciating currencies had been stabilised and an international Gold Standard restored. There were some disquieting features and some problems still unsolved, but of the general prosperity there was no question..." 1)

But W. Arthur Lewis, writing in 1949, pointed out that, so far as Britain was concerned,

" ...there was not even an interlude of prosperity; throughout, there was a high level of unemployment ... which was between two and three times as high as the pre-(first) war expectation of 'normal'." 2)

Lewis believes that sterling was over-valued by about 10%, but that a more realistic valuation would still not have helped the exporting staple industries. He judges, however, that it might have helped the newer industries to expand more rapidly, that is, the industries in which Britain had lagged behind her competitors ever since the 1870's.

Britain apart, the peak of prosperity was reached in other countries in 1929. The sudden break in the boom, of the which the half-expected crash of the American Stock Market was but the signal, led to financial and political crises in all parts of the world and was followed by the greatest business recession in history.

The most serious result of the recession was the widespread unemployment and the consequent incidence of poverty and misery. In Britain, where even in 1927 over 1 million people were out of work, the figure had risen to 3 million by the end of 1931. The position in other countries was similar or worse.

The causes of the recession were complex and they are even now subject to analysis by economists. There is a consensus that the centre of the depression was the United States, in the sense that most of what happened elsewhere has to be explained in terms of American contraction. Between 1929 and 1932, the American national income contracted by 38% and unemployment reached 15 million. American consumption of primary products was the

largest of any country in the world and American lending, which had contributed so much to world prosperity in the 1920's, declined by 68% between 1929 and 1932. Lewis sees the events leading to recession in the international sphere as

" the contraction of lending, the fall of prices, the contraction of trade, and the monetary crisis." 3)

Agricultural prices fell more rapidly than those of manufactured goods and some analysts believe that the fall of agricultural prices and of other commodities were at the core of the recession. The social and political impossibility of adjusting internal prices and costs to the unprecedented fall in external prices led to the breakdown of the international Gold Standard - so laboriously re-established only a few years before. While its suspension enabled individual countries to escape partially from difficult adjustments, it proved no solution of the real problem. As more and more countries devalued, the relative advantage of the early devaluers disappeared and world trade failed to expand. The departure from an international Gold Standard made possible widely varying recovery policies, but it also strengthened the retrograde tendency towards economic nationalism. On the other hand, the effect of exchange restrictions by countries still nominally adhering to the Gold Standard tended further to restrict the total volume of international trade. There was widespread international economic disharmony and no evidence of even the minimum common action in attempting to maintain an international monetary standard.

In parts of the North, the exceptionally serious cyclic depression was superimposed on structural problems of long standing.

The high unemployment on the North East Coast before the onset of the business recession was due to the overwhelming importance of a small group of heavy industries: Coal mining, chemicals, iron and steel, shipbuilding, and shipping and port services.

All of these - except for chemicals - had been in decline for many years, yet the importance of this group of industries was such that 64% of the insured population was engaged in them in 1924. As these industries were employing mainly men and boys - only in electrical engineering was the percentage of women and girls higher than 10% -, the percentage of insured male workers depending on them for employment was, therefore, higher than 64%.

Four of the industries in the group - iron and steel, engineering, shipbuilding and marine engineering, and coal mining, accounting for 60% of all insured workers in 1924 -, were not only in decline but they were

also exceptionally sensitive to the trade cycle, because they were heavily engaged in the export trade.

The decline of the group as a whole was such that the percentage of insured workers in it dropped from 64% in 1924 to 48% in 1938. Only the chemical industry grew rapidly in the period (Appendix 3) but it was the smallest employer by far of the group. There was an apparent growth in some sectors of engineering, but this masked a serious decline in general engineering.

In West Cumberland, the much smaller working population depended heavily on iron and steel and on coal. In 1924, 14% of the male insured workers were engaged in iron and steel and in iron ore mining, and 34% in coal mining. By 1937, employment in these industries had dropped to 8% and 19% respectively.

The position was summarised by a research team from the Department of Economics at Manchester University, who had investigated the area for a period up to June 1932:-

" The industries upon which Cumberland and Furness have depended have been those which are naturally most subject to violent fluctuations, which depend on raw materials that threaten to become exhausted in the near future; which have been hit most seriously by changes in world trading conditions since the (first) war; and in which industrial organisation and technical processes threaten to reduce both output and employment. It seems impossible to escape the conclusion that the future of these industries is far from promising." 4)

The pattern of world trade, on which the North had depended so heavily, had been changing since before the first world war, but the change had not been reflected in the industrial activities of the region. The war had hidden the problem because the demand for coal and for armaments had been heavy.

The world trend was towards national self-sufficiency in primary production and this involved great changes in industry in Britain as a whole. The main industries of the North had been substantial exporters. Even in 1929, the coal mining industry in the North East still exported 53% of its output -, 20.7 million tons.

In 1925 already, the Balfour Committee on Industry and Trade had reported:-

" Taking the world as a whole, the widespread development of home manufactures to meet the needs formerly supplied by imported goods ... is perhaps the most important permanent factor tending to limit the volume or to modify the character of the British export trade. In part, this tendency is a natural and universal one inseparable from healthy economic progress and dating from a period long before the (first) world war." 5)

This tendency became more marked after 1925 and its effects on Britain more pronounced. It became the chief factor in the problems of the depressed areas. The conditions on which Britain maintained the Gold Standard after its restoration in 1925 accelerated the trend and increased unemployment: The Pound Sterling was overvalued and Britain's export prices were too high.

Rapid changes in the industrial pattern had not been unknown in the history of the previous 150 years or so. Changes in technology, new invention, the exhaustion of raw materials in some places and the discovery of new sources in others, political and tariff changes, were some of the factors which had in the past caused great changes in the economic fortunes of some industrial areas of Britain and of other industrialised countries.

On this occasion, the North did not respond fast enough, nor on an appropriate scale - and some industries did not respond at all - to the challenges posed by the changes in world trade patterns and in technology. Where new technology was introduced - for example in the coal mining industry - unemployment resulted and no steps were taken to provide alternative employment.

Because of the reliance for most of its employment on a few industries which were particularly subject to the changes we have described, the efforts which the North would have had to make would have been, in any case, of a much more extensive nature than other areas of Britain - other depressed areas excepted - and it is doubtful whether these changes could have been made without outside assistance, that is, assistance by Government agencies. There was little tradition of light manufacturing, which elsewhere became the breeding ground for new enterprise, as Dennison has explained. ⁶⁾ Managers or workers in the heavy industries could not, on the whole, be expected to set up enterprises of their own in light industries. If they showed any enterprise, it was usually in creating ancilliary units for industries with which they were familiar. Their fortunes then became largely tied up with those of declining industries, unless they could export speciality products to the same industries growing overseas.

We have already referred to the growth of population in the region since the first world war. The problem was magnified by the fact that the boom years of that war had attracted much labour from the surrounding areas and from further afield and this labour could not be absorbed once the war was over.

The technical changes in production leading to higher output per man resulted in a decline in the demand for labour. This was to become an important factor in the biggest industry in the North, i.e. in coal mining.

The problems of the North could also be looked upon as resulting from over-specialisation. We have already noted the dependence of the region on a small number of heavy industries, whose origins were due to geographical or geological factors. The prosperous years before the turn of the century appeared to prove the benefits of specialisation and its dangers were not foreseen.

The Royal Commission on the Distribution of the Industrial Population (Barlow Commission) examined this aspect of the industrial scene in the North and in some other parts of the country:-

" The grouping together, or concentration, within a particular area, of enterprises engaged in a particular industry is claimed by leading industrialists to carry with it definite industrial and commercial advantages..." 7)

After reciting these advantages in some detail, the report continued:-

" On the other hand, high specialisation has its drawbacks. The more highly specialised an industrial area and the skill of its workers, the more difficult it becomes to adapt it to occupations of entirely different types and ... when an area ... for international or other reasons encounters a severe and prolonged depression, the consequences to the workpeople and indeed to the population of the area as a whole are likely to be disastrous. At no time has this been more vividly illustrated than during the last two decades when certain industrial areas of the country ... suffered intensely because of the steep decline of industries on which for many years they had concentrated..." 8)

Fortunately, the Barlow Commission underestimated the adaptability of labour in the North East and in West Cumberland, as later experience was to prove quite conclusively.

Dennison pointed out a more serious disadvantage of specialisation of industries in particular areas:-

" ...In a prosperous area, the development of industries by the process of 'metabolism' will be intensified, while in a depressed area it will be insignificant. Where the industrial structure of an area is one of limited industries, probably all connected with each other ..., there is a small probability of there being diversification and the development of new industries from old; specialisation of an area has the danger of involving no, or few, second lines of defence in the event of a decline in the chief industry. Where there is a more diversified structure, however, there are more possibilities of internal readjustment to a decline in any particular branch of industry. On the one hand can be cited the derelict mining villages of Durham and South Wales as examples of complete failure to develop new industries to take the place of old, because they were areas of one dominant industry, and on the other, there is the case of the newer industrial areas of the South, experiencing a continuous process of the emergence of new forms of economic activity." 9)

A diversification of the industrial base from within the depressed

areas was, therefore, almost impossible. It required a number of years after 1929 before this was beginning to be understood and it was not until the end of 1935 that the first steps were taken to encourage the introduction of new industries from outside the region.

It is in this context that we shall examine the establishment of refugee industries.

The Industrial Picture

Any examination of the small number of industries which determined the economic fortunes of the North must start with the coal mining industry which, in 1929, employed one third of the industrial workers of the North East and of West Cumberland, and which had played an important role in the industrial life of these areas ever since the beginning of the industrial revolution.

A decline in such an important industry was bound to have more than a marginal effect on the region and ever since 1913 the output of coal had been falling. In spite of the growth of industrial activity, the demand for coal in Britain had remained stationary because of economies in utilisation on the one hand, and growing competition from oil and electricity, on the other.

Until 1929, the whole of the fall in demand was due to a reduction in exports. But even if the demand and the employment had remained steady after 1913, the growth in the population of the mining districts would still have meant a growing surplus of workers available for other employment.

The reduction in employment, however, was far greater than the fall in output. Between 1923 and 1937 output fell by 13%, but employment by 34%. It is clear from these figures that changes in the manner of producing coal had even more effect on employment than the business recession.

The most important of these changes was the progress of mechanisation. This was not uniform in the coal fields of the area. Thus, we find that the percentage of coal cut by machine in Northumberland had increased from 55 in 1929 to 81 in 1933, while in Durham it had reached only 33% in that year. But the time when almost all coal would be cut by machine was predictable, as was the further reduction in employment.

The changes not only included mechanisation, but also the concentration on the more efficient mines and the abandonment of uneconomic ones. In this way, the number of mines in Northumberland and Durham decreased from 368 in 1929 to 327 in 1933. Had it not been for the Coal Mines Act 1930, the decline would certainly have been greater.

The abandoned mines were frequently the only source of employment in the localities and as no steps were taken to provide alternative industries, great misery resulted among the population, particularly in places like South West Durham and parts of West Cumberland. We shall return to the consequences of mine closures when we examine the social effects of the depression.

There was a considerable difference in demand in different coal fields in Britain. In South Yorkshire and Nottinghamshire, for example, there was sufficient expansion of coal production to maintain the volume of employment even in the face of mechanisation. The coal fields with sea access, on the other hand, like those of Northumberland and Durham, which had exported a large part of their output, were severely depressed.

Between 1929 and 1934, shipments of coal to the four major markets - Germany, France, Belgium and Italy - dropped by 50%. Apart from exports, local demand declined sharply, mainly due to the depression in iron and steel, in shipbuilding, and in heavy engineering. This decline was not made good by an improvement in the coastwise trade to the power stations of the South.

In 1929, 34% of the insured industrial workers in the North East were engaged in the coal mining industry. By 1934, the percentage had dropped to 26. The reduction among boys was 50%, reflecting the decline in recruitment. 50,000 miners were out of work in 1934.

In West Cumberland, employment in coal mining decreased from 8,800 in 1929 to 6,100 in 1937, but as in the North East, the industry had been in decline since 1924 or even before.

But if there were more people out of work in the coal mining industry than in any other, the shipbuilding industry showed the most dramatic slump in output and the highest percentage of unemployment of any major industry in the North.

The industry had greatly expanded during the first war, in order to make good the losses in ships sunk by German U Boats. Since the end of that war, there had been a decline in the proportion of the world's ships being built in Britain and in the proportion of British ships built in the North East. Even in 1929, - a relatively good year by post-first world war standards - unemployment in the industry was 20%. In that year, North East yards launched 679,000 Tonnes. In 1933, the figure was a mere 37,000 Tonnes, rising to 67,000 Tonnes in 1934. Naval construction figures were not included in the above, but since the end of the first world war, this was small and irregular in occurrence. The annual average naval tonnage launched in the period 1931 - 1934 was only 6,000 Tonnes, compared with

66,000 Tonnes for the years 1907 - 1913.

The unemployment created by these devastating falls in activity was concentrated in a small number of riverside towns and the industrial and business life of those which depended mainly on shipbuilding virtually came to an end. In an attempt to avert complete bankruptcy of the industry, a rationalisation scheme was introduced, under which many of the yards were closed, some never to re-open again, others to restart only when naval re-armament began in the late 1930's.

When Palmer's shipyard at Jarrow closed, unemployment in the town reached 80%. Again, there was no alternative employment and the disadvantages of specialisation were demonstrated in a disastrous way. The march of the Jarrow men to London became a symbol of the misery of the North East as a whole and Ellen Wilkinson, Member of Parliament for the town, wrote a book about "The Town that was murdered". 10)

The situation in the other two major industries - iron and steel, and engineering - was more complex. Steel production in the North East - concentrated mainly on Teesside - had actually risen by 23% between 1929 and 1937, but the output of pig iron had dropped sharply. At the same time, productivity in the industry had improved by the adoption of new processes - as in the coal industry - and the larger output was, therefore, achieved with fewer men. Considering the high tariffs the industry still needed for protection against foreign imports, the trend was likely to continue. The employment in the iron and steel industry was only 22% of that in coal mining and the 8,000 men which it shed between 1924 and 1938 were absorbed by the growth of constructional engineering on Teesside and at Darlington. Although unemployment in Middlesbrough reached 40% in 1932, it proved to be almost wholly cyclic. Teesside benefited from the fact that there was no coal mining there.

In West Cumberland, iron ore mining and the manufacture of pig iron were in decline. Iron ore mining reduced its employment from 8,800 in 1929 to 6,100 in 1937, partly because the mines were beginning to be worked out. Pig iron employment declined from 1,200 to 950 during the same period, while steel making, on the other hand, increased its labour force from 1,500 in 1929 to 2,300 in 1937.

In engineering, the situation was even more complex, because of the wide range of activities classified under this industrial heading.

The employment figures for general, electrical, marine and constructional engineering, the making and repairing of motor vehicles, cycles, aircraft, carriages and carts, railway carriages, waggon and tram cars were estimated at 56,500 in 1929. By 1932, the number had fallen to

33,200, a drop of 41%. What was more, this fall was between two and three times greater than for the country as a whole. By 1934, the number employed in the categories enumerated had increased again to 41,000, but this was still a long way below the 1929 figure, which was, in any case, 10,000 below the number of the insured workers in the industry.

Not all these trades on the North East Coast, however, moved in the same direction: Electrical Engineering, Motor Vehicles, Cycles and Aircraft, and Railway Carriages, Wagons and Tramcars were each employing more people in 1934 than in 1929. Their employment, in aggregate, increased from 8,800 in 1929 to 10,400 in 1934, an increase of 18%, compared with a national increase in these trades of only 3%. This more rapid growth than for the country as a whole would have given greater satisfaction, if the numbers employed had been more than a small proportion of the workpeople in the North East.

This, unfortunately, was the trend in engineering generally: The trades which prospered were relatively small employers, while those which languished, were large ones. While exact figures for General Engineering, for example, are not available, it is a category which included a very varied assortment of work - including some of the region's specialist activities like locomotive building and armament work - and was a large employer. Over the six years 1929 - 1934 it experienced an average unemployment of 34%, rising to 46% in 1932.

It is not our purpose to examine all branches of engineering in detail, but the examples indicate the complexity of the picture. Nevertheless, the unemployment figures given at the beginning of the discussion on engineering indicate the severity of the depression in the industry taken as a whole.

It would be wrong to give the impression that the situation of the declining industries represented the whole picture in the North East or, indeed, in West Cumberland -

" The economic difficulties of the North East Coast during the post-war (first war) period have tended to cause attention to be concentrated upon the character and extent of the economic problems with which the area is confronted, and therefore to direct attention mainly on the condition of the export industries of the area which, unfortunately, have been almost continuously declining in importance since the end of the (first) war. Preoccupation with the problem may have resulted in a tendency to overlook the fact that there are a number of industries and services on the North East Coast which have grown during the post-war period, and that some of them have continued to expand even in the worst years of the world economic depression." 11)

The table in Appendix 3 shows the number of insured persons in the expanding industries of the North East from 1924-- 1934. It provides some

interesting conclusions :

The majority of the expanding industries employed relatively few people, even if their percentage growth was impressive. The exceptions stand out: Building and Public Works, Transport and Communications, the Distributive Trades, and Miscellaneous Trades (Including Local Government and the Hotel and Catering Trade). These 4 industries or services accounted for 80% of the growth in employment in the 20 industries listed in the table.

The most dramatic growth in employment in the decade to 1934 took place in the Building and Public Works industry, but this was due to the expenditure of public funds by central and local Government. While slum clearance and housing policies were likely to guarantee the continuation of activity for some years, the high level of employment depended largely on national economic and social policies.

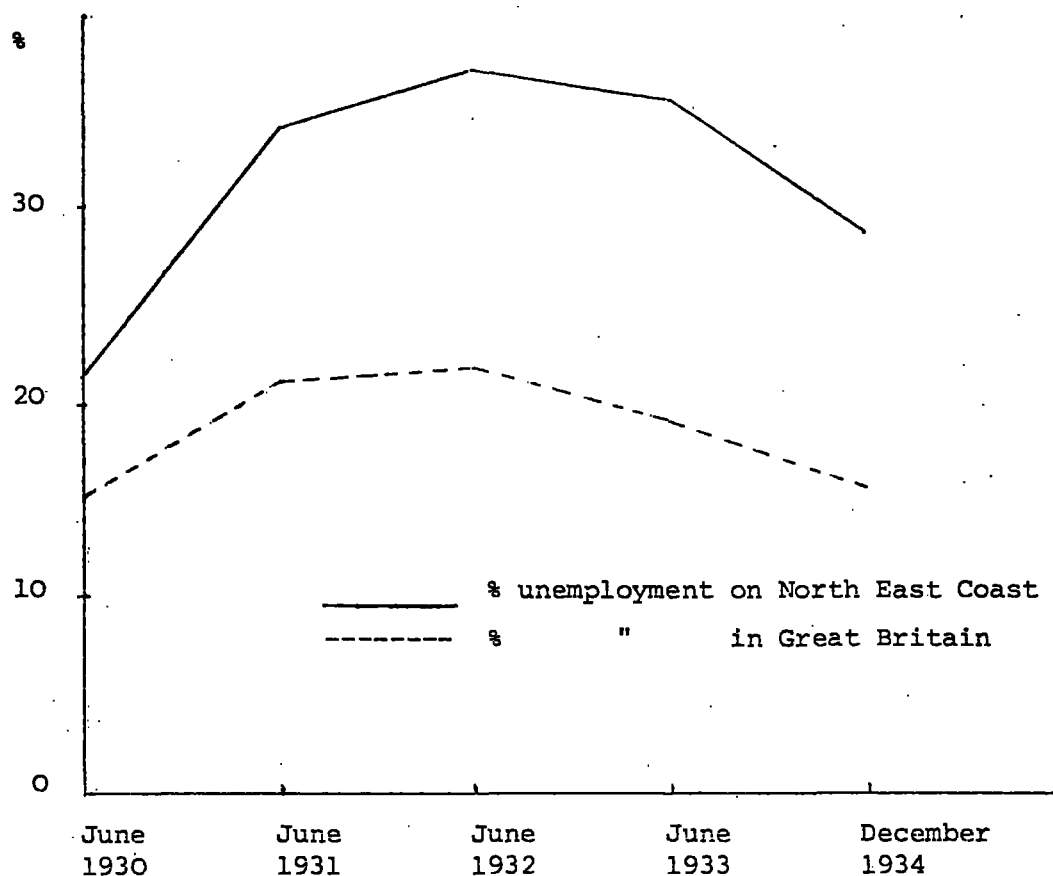
The expansion of the other three industries in the major growth group ensured that unemployment in a big centre like Newcastle upon Tyne rose less rapidly during the depression years from 1930 onwards than the national average.

We note, however, that the group showing this large absolute expansion in employment did not include a single manufacturing industry. The lag in this sector indicated, how badly some stimulation and growth were needed to balance the decline of the traditional heavy industries of the North.

Another conclusion may be drawn from the table in Appendix 3: The increase in employment in the expanding industries in the North East in the decade to 1934 was 134,000 insured workers. Since unemployment in 1934 stood at 162,000 and since, further, the net emigration in the decade exceeded 100,000, there clearly was a considerable expansion of the population, for whom no employment provision had been made, even if we allow for the fact that some of the expanding industries may have employed a fairly substantial number of uninsured workers.

The table in Appendix 2, although covering a different time span, supports this conclusion.

By the end of 1934, when world trade was growing again, comparisons between the unemployment in the North East and in the country as a whole began to indicate that changes highly unfavourable to the North East had taken place: Between 1923 and 1929, unemployment in Great Britain varied from 9% - 11%. On the North East Coast, the range was 13% - 16% ¹²⁾ Now the gap was much larger, as the graph indicates:



Source: Staff of the Economics Dept., Armstrong College,
The Industrial Position of the North East Coast,
 London, P.S. King & Son, 1935, p.17

The economists at Armstrong College were forced to come to the following conclusions:-

" In a period when the recovery from the depth of the world depression might have been expected particularly to benefit the export industries of the North East Coast, the percentage of unemployment remained almost twice as great in this area as in the country generally. These facts indicate that during the period of world depression important internal changes in industrial Britain were going on and that the North East Coast will, when the depression ends, be left with the very serious social and economic problems presented by a large, permanent, and disproportionate amount of unemployment."

13)

Social Effect of the Crisis

There is a vast literature on the social effects of the depression on the people of the North. These effects were both visible and hidden:

Visible, because mines, shipyards and factories were closed and derelict.

Many shops were shut and unemployed men were standing at street corners. Hopelessness and deprivation could be seen everywhere. In his book "English Journey", J.B. Priestley describes the unemployed in some of the towns as "men wearing the drawn mask of prisoners of war". 14) Visitors to the North came away with the "ineffaceable impression of men suffering through being overwrought and worn out by anxiety". 15)

But the hidden effects were even worse. The majority of the unemployed had been out of work for long periods, a minority up to 8 years.

" Prolonged unemployment is destroying the confidence and self-respect of a large part of the population, their fitness for work is being steadily lost and the anxiety of living always upon a bare minimum without any margin of resources or any hope of improvement is slowly sapping their nervous strength and their power of resistance." 16)

" Whole communities are suffering, suffering through want and suffering in morale ... where the majority of the community are in work they are able to keep up the morale of the unemployed; ... where the majority of the men are unemployed the morale of the whole district suffers alarmingly or just goes by the board". 17)

Even by the middle of 1935 there appeared to be no prospect of an effective reduction in the number of unemployed; No hope of a revival of the export of coal, no immediate hope of the revival of shipbuilding and no hope of any large industry moving into the distressed districts. It was this hopelessness which was the most serious aspect of the crisis.

On 20, 21 and 22 March 1934, The Times published reports from a special correspondent it had sent to County Durham. These reports provided a vivid picture of the situation.

The Times correspondent reported that

" there was anger and resentment against the South, because it was felt that the South governed in ignorance".

His own responses echoed local feeling:

" There are parts of Durham where one feels strongly and sometimes angrily that London still has no conception of the troubles that affect the industrial North."

The leading article in The Times of 20 March 1934 - the issue which opened the series of reports - could see

" a background of bare justice behind the unyielding Socialism which spellbinds Durham Man today, because he thinks he can see no proof of genuine consideration from any other quarter".

The correspondent found ample reasons for the hopelessness of the men and youths:

" In nearly every part of the country, the steady reduction in the unemployment figures has emboldened hope of better times ahead. Yet in places where the pits are not only closed but abandoned, the works not only closed but dis-

mantled, it is difficult to see any ground for hope, because there is no industry left there for recovery to vitalise".

If the position was bad for the men, it was worse for boys and girls. A large number of them had never done a day's work in their lives and they seemed to have no opportunity to work in the foreseeable future.

Large numbers of people, particularly young people, were leaving the places where they were born. The break-up of families and of the tightly-knit mining communities caused much hardship and heartbreak.

Britain was still one of the world's richest countries and it is hard to believe that the correspondent was describing conditions in parts of that country when he reported on the conditions in villages or towns where the majority of men were unemployed:-

" Friends or relations cannot help one another because all are straitened in the same way. Everything superfluous has been pawned or sold and the necessities of life are worn out. In Jarrow, even the pawn shops closed. Clothes are from charity, underclothes were rare. Men are not starving but they are permanently hungry. Malnutrition among children was rare, but teachers report the sort of apathy resulting from insufficient food and of the wrong sort. Fathers and mothers went short to ensure that children did not suffer".

Unemployment benefit, cut in 1931, had been restored under Part II of the Unemployment Act 1934, so that payment to a single man over 21, for example, increased from 15/3d to 17/-. (i.e. from 76p to 85p) per week. For the majority of the unemployed, however, benefit had long ceased and, instead, they received so-called 'transitional' payments. This was money paid out to those who were able to make fewer than 30 contributions to Unemployment Insurance during any previous 2 year period. But payment was subject to a test of need. Transitional payments were administered, under the Unemployment Insurance (National Economy) (No. 2) Order of 1931, by the Councils of Counties or County Boroughs. The funds came out of a special account of the Unemployment Fund. A circular issued by the Ministry of Labour on 10 November 1931 dealt with the position of applicants in possession of capital assets:-

" As regards persons in possession of capital assets, ... it would be difficult to reconcile a practice of recommending transitional payments to such persons, irrespective of the general circumstances of the case". 18)

This test became known as the 'Means Test' and, while the circular made it clear that there could be circumstances where the income value of such capital assets needed not necessarily prevent the payment of transitional relief, the whole procedure caused great resentment and bitterness among the unemployed. It was felt to be unfair in its application, part-

icularly by taking into account small savings.

The Dole and the Means Test formed the most common subject of conversation among the unemployed, who did not look upon transitional payments as poor relief, but as money to which they were entitled in the same way as unemployment benefit.

Irregularities in the administration of transitional payments by Durham County Council - in favour of the unemployed and at the expense of the State - led to the appointment of a Commissioner to take over the administration in 1932.

As an aside, it may be noted that, 40 years later, the Means Test, or anything resembling it, is still so much a part of recalled popular resentment that it has proved to be impossible, under the quite different conditions of the Welfare State, to ensure that social benefits, like subsidised housing, go only to those really in need of them.

It was one of the tragedies of the depression years that people had been advancing more rapidly than their environment before the crisis struck. While men and women had received a better education and had acquired more skills, and higher expectations, they lived in overcrowded conditions, in old industrial surroundings and many of them worked in industries which had not changed their methods for a generation or more. Now, there was no work at all for too many of them.

The Time correspondent concluded:-

" No hope exists for thousands of men and boys ever to lead a normal working life again, unless drastic, specially directed action can be taken ... Can we be satisfied that every nerve is being strained to lift these people out of the pit of permanent local worklessness? ... Perhaps all the reserves of a democratic Government are not yet exhausted...".

As we shall see in chapter 3, the Government initiated some action almost immediately after the publication of these reports in The Times, action which began a slow but fundamental change in the fortunes of the depressed areas.

Some Measures of Social Relief: Adoption, Transference, Land Settlement

We have already remarked that many people of the North became refugees, in a manner of speaking, albeit in their own country, because they could no longer continue to live in their home towns or villages and earn a living.

There was at least one respect in which their problem and that of refugees from Nazi Germany - as we shall see in chapter 4 - was handled in a similar way: Through adoption or sponsorship.

Many individuals and private or public bodies wanted to do something

to ameliorate the conditions of their less fortunate countrymen in the depressed areas, by adopting parts of these areas, or families and individuals who lived there.

" There are various forms which these adoption schemes can take, for example, the adoption by more fortunate families of those less fortunate, the adoption by a county, a town, a church or an association in the more prosperous parts of the country, or by the staff of a Government Department or by a business firm, of a town or village in the Special Areas, or the financial support of a particular kind of institution or activity in the Special Areas". 19)

While admiring the spirit in which generous offers of adoption were made, the Commissioner for the Special Areas of England and Wales drew attention to the dangers of failure of schemes, unless they were properly planned. He warned that only the more powerful adopting bodies could hope to achieve anything positive within the Areas themselves, such as the establishment of new industries. Others would have to set themselves more limited objectives and the most useful way in which they could help was

" by finding employment in their own districts, facilitating the removal of workers and the settlement of individuals or families in their new surroundings". 20)

The Commissioner appealed strongly to all bodies and organisations in the more prosperous parts of the country to consider seriously whether they could not bring practical help to the Special Areas by these methods.

" An adoption scheme which finds permanent employment in a new area brings real relief to individuals and groups and is of far greater permanent value than the adoption of palliatives such as the provision of clothes, social amenities or even temporary work given in the Special Areas". 21)

It would go too far to investigate the results of these appeals in detail and a few examples must suffice: Two County Councils in the South of England made an early contribution. Surrey Council, under the leadership of Sir John Jarvis, attempted to assist Jarrow by the reviving of old and the establishment of new industries there, and by the transfer of girls to employment in Surrey.

Hertfordshire adopted half a dozen of the most unfortunate colliery villages in County Durham and established schemes for poultry keeping and land cultivation there. It also provided money for occupational centres. The town of Bedford adopted a small rural township in County Durham and found employment for a number of men and women, and boys and girls, housing the newcomers and provided social arrangements to prevent homesickness. Later, schemes of adoption were undertaken by staffs of many large concerns in London and other prosperous places and by staffs of Government Departments.

By September 1936, no fewer than 70 such Departments or branches of Departments had adopted distressed villages or townships and collected voluntarily the sum of £40,000. 22)

Faced with the prospect of unemployment of unforeseeable duration, many people had left the North after 1928 and, indeed, even before. They usually made their own arrangements for employment in other parts of the country, or in the Dominions and Colonies. Some of them kept a foothold in the North, in case employment in other parts of Britain should also prove to be impermanent.

From 1928 onward, the Ministry of Labour had given assistance to unemployed people to transfer to districts offering better prospects of employment and, in addition, there were specific schemes, financed by the State and administered by Local Authorities, to cover the cost of transferring whole households. There were also some private organisations operating in the same field, for example Lady Headlam's United Services Employment Scheme in Co. Durham, which placed 8,000 boys and girls in employment in other parts of the country.

The official support for transference was based on the fear that the North would never again provide employment for all its people. We have already drawn attention to the increase in population in the North in the decade after 1924, and to the absence of any official policy to create new employment opportunities.

The need to migrate in order to earn a living is never an easy matter to contemplate and the Commissioner for the Special Areas of England and Wales recognised this:-

" A man puts down his roots in the place where he works and lives. He has his family and friends and associations in that place. It is a hard thing to tear up these roots. It is one of the finest characteristics of mining communities that their personal associations, their communal life, is strong." 23)

Yet in spite of this recognition of the personal and community problems involved, the Commissioner pressed for an extension of the policy:

" Transference of individuals and families out of the Special Areas must, in my view, be regarded as one of the essential measures of relief". 24)

To those who criticised this policy, he explained:-

" Whilst there is hope of revival for the more firmly established districts in the Special Areas, there are parts of these Areas for which it is difficult to see an economic future. These are mainly situated ... in the West Durham coal field and some of the smaller towns and villages surrounding Cleaton Moor in West Cumberland. Unemployment in some of these small districts has, for some years,

amounted to practically three-quarters of the employable population. The community is, in fact, no more than a small town or village built around a coal shaft. When the coal ceases to be worked, the possibility of economic life disappears. There is no justification that I can discover for establishing industrial enterprises in such places". 25)

Between 1921 and 1935, 295,000 people had left those counties of the North which were later to contain the Special Areas. Statistical information on migration is given in Appendix 2.

Between 1934 and 1938, 60,000 people were transferred to other parts of the country under official schemes. This figure does not necessarily include all their dependants, nor does it include those who had made their own arrangements.

Not all the people who left found it easy or, indeed, possible to settle down in other parts of the country and by 1939, about 50,000 of them had returned. Yet without migration and transference, the unemployment figures in the North would probably have doubled. We shall refer again to migration when we examine the significance of the unemployment figures.

It is difficult for us today to share the belief that land settlement, particularly on small-holdings, should have been considered a means of dealing with unemployment at a time when agriculture was itself a depressed industry.

Even if the problems of suitable land and working capital for unemployed men and women could have been solved, there remained the question of viability, of an entirely different way of life from that of the industrial worker and, perhaps most important, the lack of skill to wrest a living from the land.

We record this attempt at relief - which benefited only one or two per cent of the unemployed - only because the Commissioner for the Special Areas spent a quite disproportionate part of his funds on schemes for Land Settlement. By the end of 1938 - the last time the Commissioner reported - he had spent £3.2 million on such schemes, compared with £4.5 million on Trading Estates and industrial site development.

This is not to belittle the results achieved. It would carry us too far to investigate why this disproportionate investment, compared with industry, was made or to follow the history of some of the schemes.

Local Self - Help

Apart from the many private, charitable and Church organisations who tried to bring some form of practical relief to the unemployed and their families, a number of Development Organisations were established, whose

objective was the attraction of new industries. They did this mainly by providing as much publicity and information as their slender budgets permitted.

The need for this was seen long before the business recession after 1929:

" ... in 1926, the Tyneside Industrial Conference (or Tyneside Industrial Development Conference) was formed to consider the problem of industrial development for the whole area. It was a pioneer movement which was followed by a large number of municipalities throughout Great Britain. The pressing need for immediate and consolidated action was recognised over the whole of Tyneside and every Municipality and Urban Council linked themselves together in this important Conference. They were joined by the Tyne Improvement Commissioners, Newcastle Chamber of Commerce and the Public Utility Companies..." 26)

Because this early Development Organisation is now all but forgotten and records are difficult to find, we are reproducing an article on its work, printed in 1929, in Appendix 4. It is interesting to note that the revival of industry and the need to attract new firms was seen to be the most important issue for Tyneside even before the world business recession began. But the results of its work appear to have been small, so small, indeed, that Newcastle Corporation withdrew its support in 1932. 27)

It was not surprising that, in the economic climate prevailing in the late 1920's and in the absence of any supporting Government policies, Developing Organisations depending wholly on publicity could not achieve very much.

The fact that all the local authorities on Tyneside were willing to take part in the Conference was seen as a great step forward:-

" It was recognised that Tyneside was one community from an industrial point of view, and increased employment in any part of the area would be to the advantage of the area as a whole". 28)

An attempt to form a Regional Development Organisation in 1932, however, failed. It was not until the end of 1934 that such a body came into existence. A Memorandum from this organisation, the North East Development Board, outlined the position at the time:

" In December 1932, proposals were made for the constitution of a North East Development Board, whose activities would cover the district from the Tyne to the Tees. There were then in existence the Tyneside Industrial Development Conference, which, however, did not have the support of some local authorities and, in particular, of Newcastle upon Tyne, the Tees District Development Board with headquarters in Middlesbrough, and a Sunderland Development Board. The proposals for a North East Development Board were unsuccessful owing largely to the refusal of the Newcastle Corporation to join". 29)

Several efforts were made to bring a wider scheme into being and, in March 1934, Mr. Runciman, The President of the Board of Trade, expressed strongly his view that co-operation between all the authorities on the North East Coast was essential.

On the 26 November 1934, a meeting was held which was presided over by the Lord Mayor of Newcastle, when it was

" unanimously decided that the formation of a North East Development Board should be proceeded with". 30)

The Board started operations on 4 March 1935.

The North East Development Board - and the Government - encouraged the formation of local Boards, to be affiliated to it. The Regional Board represented the interests of the region as a whole, while the local Boards provided more detailed information and carried out industrial promotion in their own localities. In this way, the regional interest and the demand for local initiative could be combined.

A list of the organisations affiliated to the North East Development Board, taken from its first annual report of 7 February 1936, is given in Appendix 5.

The Tyneside Industrial Development Conference ceased to exist in 1935, and in its place, the Tyneside Industrial Development Board was formed in March of that year, but not without much debate in Newcastle City Council on whether the proceeds of a 1/8d rate could be justified in view of the small results obtained by its predecessor.

A smaller Board was formed in Blyth and discussions were going on about the formation of a local Board in Berwick on Tweed.

Finance for these organisations came from local authorities, from affiliated organisations and companies, and from the Government.

In South West Durham - an area specially hard hit by the slump and by changes in the pattern of mining - and in Cumberland, Development Boards or Councils were formed in 1935, but something more than promotion was required in these districts and appropriate - if different - organisations were set up there in 1937, as we shall see in chapter 3.

The Development Organisations were better suited for the task of industrial promotion than the local authorities. They were free from bureaucratic control and could take commercial attitudes. Their budgets were absurdly small, and finance, generally, proved to be a problem. The start of operations of the North East Development Board was delayed for many weeks, because Barclays Bank was not satisfied with the security for the £500 it was asked to advance until local and Government finance became available.

The budget of the Tyneside Industrial Development Board for 1936 was less than £3,000, out of which its secretary and a small staff had to be paid.

The Government found these organisations valuable. They provided much information and local knowledge and they gave opportunities to public-spirited people to put their expertise and understanding of the local situation at the disposal of the region, and, therefore, of the Government, which considered such advice before formulating its policies. They also acted increasingly as pressure groups and the Commissioner for the Special Areas seems to have depended to some extent on the pressure they exerted in order to get his proposals accepted by Government.

Both the North East Development Board and the Cumberland Development Council gave valuable evidence to the Barlow Commission. 31)

More important from our point of view, the Development Organisations played an important part in the settlement of refugee industries in the North, particularly after Government-financed factories became available in 1937. Thus we find the Secretary of the Tyneside Industrial Development Board, the late Mr. Stanley Holmes, and the Secretary of the Cumberland Development Council (and later, Managing Director of the West Cumberland Industrial Development Company Ltd), the late Mr. J. (later Lord) Adams and other officers travelled widely on the Continent of Europe during the two years before the War and made contact with threatened industrialists. Their names will recur often in this work, particularly in the Case Histories. In many cases we have studied, the settlement of refugee industries in the Special Areas of the North was due to their work.

Apart from the Development Organisations, which had no investment funds at their disposal, we must mention two ventures which showed the efforts made by individuals to improve the economic circumstances of their districts.

The Tyneside Industrial Development Conference had been, from the start, a publicity organisation only. Its budget was small even for such a limited objective. In its work, it came across firms willing to move to the Tyneside area, if some capital could be obtained. It was in such cases that the lack of readily available sources of finance was keenly felt (see chapter 3)

" The Tyneside Industrial Development Conference has been in contact with a number of promising schemes, the majority, however, have gone to other districts which could provide the financial assistance which the Conference is unable to provide". 32) (also Appendix 6)

In 1933, Col. S. Monkhouse - who was associated with the local

Electricity Supply Company and who was also the moving spirit in the Tyneside Industrial Conference - and some of his friends, mostly prominent Tyneside businessmen, set up Northern Industries Development Ltd., whose purpose was to

" provide necessary assistance to approved new ventures or for the development of undertakings already established and handicapped by lack of capital for expansion". 33) (also Appendix 6)

It was, up to then, the most constructive recognition that special steps would have to be taken to assist the diversification of industries in the Region.

The objectives of this small finance company and the results achieved by it were quoted later by the Government Investigator and by the Commissioner for the Special Areas as an example of what might be done on a larger scale. (see chapter 3) The company may be considered, with some justification, as a small forerunner of a Government-guaranteed investment company which was to be established in 1937.

In Cumberland, the Miners (Industries) Trust Ltd was formed in 1928 by a Mr. Charles Roberts of Boothby near Brampton (whose son was to play a role in assisting refugee industries in and out of Parliament),

" actuated by a deep interest in and sympathy with the gradually worsening condition of the local unemployed". 34)

In 1934, the trust looked after four ventures, concerned with the manufacture of bricks, of lime, and two coal mines, which were enabled to continue with the help of the Trust's funds. The Trust managed to pay 5% interest on the total capital of £22,261.

We may well ask, why it was that a region which became prosperous by the

" enterprise, foresight and courage of individuals, unaided by any Government or the big London Banks". 35)

threw up only these two small support ventures in its period of greatest distress, but the complex answer to this question would carry us too far away from our main purpose.

The Significance of the Unemployment Figures

While unemployment alone cannot give a complete indication of economic activity - it may, for example, hide a rapid increase in productivity, as we have seen in the coal and steel industries -, it is generally considered to be the best indicator available, particularly if it persists over a number of years in a particular area or country.

Since we make frequent reference to the official figures for the

depressed parts of the North, their meaning and significance in relation to the national unemployment figures must be examined and explained.

The official figures were based - almost a by-product - on the statistics of Unemployment Insurance supplied by the Ministry of Labour. The principal groups of workers excluded from insurance were those engaged in agriculture, in private domestic service and all under 16 and over 64 years of age.

On 3 September 1934, - under the provisions of the Unemployment Insurance Act 1934 -, the entry into insurance for boys and girls was effectively lowered to the age of 14. Up to that date, the majority of school leavers were excluded from the statistics for 2 years. Since a larger proportion of young people stayed at school beyond the age of 14 in the more prosperous parts of the country and further, since job opportunities for those leaving school at the age of 14 were better there, the omission from the statistics of those between the ages of 14 and 16 to September 1934 led to an over-optimistic comparison between local unemployment in the depressed areas and the national average.

Similarly, the smaller number of women in the North seeking industrial employment at that time, compared with the national average, again led to an understatement of the unemployment position in the North relative to the national average.

Dennison drew attention to the fact that the South of the country had a larger proportion of employed than insured workers, while in the North - and in other depressed areas - the position was reversed. ³⁶⁾ This is simply another way of stating that in the South, the employment situation was better than the official figures based on Unemployment Insurance suggested, while in the North it was worse.

But the most serious problem of comparability of the official figures was posed by migration and transference - migration assisted by official bodies -.

Between 1930 and 1934, about 150,000 people left the North East and, while about 50,000 of these returned, they did so, in the main, only after 1937, when the employment position in the North improved. In Cumberland, where the absolute figures were much smaller, an estimated 25% of the population emigrated between 1928 and 1935.

There is no way of adjusting the official figures to allow for this migration which must be borne in mind in any consideration of the real extent of the industrial problems of the North before the War.

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35. Speech by CSAEW, P.M. Stewart, at Luncheon given by the North East Development Board, 25 October 1935, North East Development Board, 1st Report of Executive Committee, 7 February 1936, Gateshead Public Library, Local Studies Section
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CHAPTER 3 : HELP ON THE WAY

The first Special Areas Legislation: The 1934 Act

We have already observed, that the setting up of new industries by refugees in the North was one of the direct results of the Special Areas legislation and of the availability of factories to rent arising out of that legislation.

In this chapter we will trace its origins and the events leading up to the establishment of the first Trading Estates in the North in 1937.

By 1934, the country as a whole had begun to recover from the effects of the world recession. Between 1932 and 1934 the Gross National Product increased by almost one quarter and unemployment dropped, although it was still higher than in 1929.

The older industrial areas, however, failed to recover in line with the rest of the country and in some districts, industry had come to an end.

In chapter 2 we have referred to a series of remarkable articles published by The Times in March 1934¹⁾, which painted a harrowing picture of the life of many people in County Durham. The special correspondent drew attention to the fact that the recovery had by-passed at least this part of the country:-

" England is beginning again to think in terms of prosperity and may even deceive herself into imagining that at home, if only she holds what she has gained, everything everywhere is going to come right. That is not so. There are districts of England, heavily populated, whose plight no amount of general trade recovery can cure, because their sole industry is not depressed but dead. It would be a failure of statesmanship to ignore them".

In the last of the series, on 22 March 1934, the correspondent made some proposals for action, which were supported by the first leader:-

" The Government would do well to choose and appoint one man and send him to study the Durham situation comprehensively for a period of months, and then require him to report his frank recommendations covering as wide a field as he thinks fit. He would need to be empowered to call into consultation, at his discretion, any local authorities, any companies, public bodies or private individuals, and to receive assistance from the Civil Service in disentangling the facts on any particular subject ... Nothing was to be ruled out of his mind ab initio...

If the Government were to send one man separately to each of the half dozen areas of Great Britain which present the same phenomena of crushing unemployment and the death of local industry, it would be provided with half a dozen parallel reports from which it would distil ideas for possible action... It is a task for one man, not a committee."

Such was the power of The Times, - and perhaps the embarrassment of the Government-, that action was taken immediately and almost exactly on the

lines proposed by its correspondent: In April 1934, less than a month after the publication of the series of articles, the Government appointed investigators, one each for the main areas concerned.

Capt. D. Euan Wallace, a Civil Lord of the Admiralty, was sent to Tyneside and Durham, and the Rt. Hon. J.C.C. Davidson, the Chancellor of the Duchy of Lancaster, to West Cumberland, Alston and Haltwhistle.

The investigators were given only a few months in which to complete their work. Their reports, which were of a confidential nature, were presented in the late summer of 1934. When Parliament met in the autumn of that year, the Government was pressed to publish them. In November 1934 it agreed to do so, with the deletion of a few paragraphs of a confidential nature. 2)

The investigators consulted with the kind of public and private organisations and individuals The Times had suggested. In addition, the investigators had at their disposal two surveys which had been prepared as part of the efforts to solve the problems of the depressed areas of the North: The survey produced by the Staff of Armstrong College (now the University of Newcastle upon Tyne) in 1931 at the request of the Board of Trade on the North East Coast 3), and that carried out by the Department of Economics at Manchester University on Cumberland 4).

A study of their reports arouses admiration for the investigators and their staffs. Within a few months they had learned enough to describe a situation without parallel in British industrial history. They produced wide-ranging analyses of the causes of the problems of the depressed areas of the North and they put forward many ideas which were to form the basis of later policies.

The facts, as exemplified by the unemployment statistics, were stark enough. On June 1934, 16.1% of the insured population was out of work in Great Britain as a whole. The figure for Tyneside and Durham was 27.2%, for Bishop Auckland 50.4% and for Jarrow 56.8%, to quote only a few of the worst. 5) For reasons we have explained in chapter 2, these figures under-stated the problem in relation to the national average.

But factual observations apart, Capt. Wallace provided two conclusions of fundamental and far-reaching importance:-

Firstly, he made out an unanswerable case for direct Government action, at a time when faith in the self-correcting effect of market forces had not yet been abandoned and the idea of Government intervention was still suspect:

" If, therefore, it be admitted that the industrial depression and the heavy unemployment in this area are due to causes outside the control of those who reside there, it is equally

true to say that there is no likelihood that the same forces which have created the present situation will automatically re-adjust it, except after a lapse of time and at a cost in human suffering and economic waste which no modern Government would care to contemplate. Durham and Tyneside can only escape from the vicious circle, where depression has created unemployment and unemployment has intensified depression, by means of external assistance." 6)

Secondly he showed that, whatever might be done in the depressed areas themselves, their problems were due in a large measure to national policies - or rather, their absence, - in planning the location of industry and the consequent imbalance in the growth and prosperity between different parts of the country.

The problem was not new. More than 350 years ago, a proclamation of James I warned that the growth of London was at the expense of other places:-

" The other good Townes and Borrowes of his Kingdom by reason of so great a receipt for people in and about the said city are much unpeopled and in their trading and otherwise decayed." 7)

Capt. Wallace drew attention to the same problem in a new, industrial context and urged, perhaps for the first time in any Government report, that a start be made to control this situation :-

" ... just as the really derelict towns and villages cannot be dealt with in isolation, so it is impossible to promote effective measures for the re-habilitation of any one area without reference to the country as a whole. The first of these questions is the attitude of Government towards the location of industry. Any large-scale movement of population involves an immense waste of social capital...

The most outstanding example of the movement of population to a new area is the industrialisation and consequent growth of London. It is, therefore, suggested, that the time has come when the Government can no longer regard with indifference a line of development... which appears upon a long view to be detrimental to the best interests of the country; and the first practical step which could be taken towards exercising a measure of control in this direction would seem to be some form of planning of industry". 8)

If the report of the Rt. Hon. J.C.C. Davidson on West Cumberland made no proposals of a similar fundamental kind, it was because the problems there were on a much smaller scale. 11,000 people were out of work in 1934 compared with 170,000 on the North East coast. Unemployment never exceeded 30% for the area as a whole and dereliction such as was common in the North East was confined to a few small places. There were 2000 miners out of work and the town of Maryport had an unemployment rate of 60%, but the coal industry had, in fact, done somewhat better than in the North East throughout the depression years. The two big mines near Whitehaven had not yet closed when Mr. Davidson reported.

The Manchester investigators had concluded that the future of the basic industries of the area were far from promising and that the decline, which they saw as having started as far back as the 1880's, would continue. But there were a number of mitigating features: West Cumberland was part of a mainly agricultural county with a flourishing tourist industry.

Apart from his main conclusions - which pointed to fundamentally new Government policies -. Capt. Wallace made a number of suggestions which were capable of implementation in the short term: One of these called for

" the appointment of a Commissioner to co-ordinate all activities in connection with Government schemes for the rehabilitation of the area." 9)

The Government almost immediately accepted the first of his two main conclusions: that the depressed areas required external assistance. It also accepted that such assistance should be co-ordinated by Commissioners. As for his second main proposal, it was to be almost 6 years before a Royal Commission on the Distribution of the Industrial Population reported (the Barlow Commission), and over 14 years before a location of industry policy began to emerge in Britain.

Following the publication of the reports of the investigators, the Chancellor, Neville Chamberlain, informed Parliament on 14 November 1934 that the Government had decided to appoint two Commissioners, one for the depressed areas of Scotland and one for those of England and Wales,

" to be invested with wide powers and untrammelled by ordinary departmental Routine", 10)

to look after the areas which had been investigated. They were to be allotted a substantial sum to spend at their discretion and an initial amount of £2 million was to be paid into a special fund which they would administer.

The Chancellor also announced that Mr. (Later Sir) P.M. Stewart had agreed to act in an honorary capacity as Commissioner for England and Wales and he promised the immediate introduction of a Bill to give authority for the necessary powers.

The Bill was introduced on 26 November 1934 under the title 'Depressed Areas (Development and Improvement) Bill', but in response to criticism in the House of Lords, the word 'Depressed' was deleted and the word 'Special' substituted. The Bill received the Royal Assent on 21 December 1934.

The debate in the Commons showed, that there was widespread recognition of the magnitude and novelty of the problem and of the unlikelihood of market forces or normal Government action effecting any early solutions. The Chancellor, Neville Chamberlain, said on 14 November:-

" Although in the present case we need not describe the disease

as desperate, it certainly is sufficiently exceptional to warrant exceptional treatment. What we want here, it seems to us, is something more rapid, more direct, less orthodox if you like, than the ordinary plan, and if we are to do what seems to me even more important than the improvement of the physical condition, if we are to effect the spiritual regeneration of these areas, and if we are to inspire their people with a new interest in life and a new hope for the future, we have to convince them that these reports are not going to gather dust in some remote pigeon hole but that they will be the subject of continuous executive action ... We have resolved to cut through all the ordinary methods and adopt a plan which we conceive is more suitable to these special conditions than the methods which, in the ordinary course, would be applied to such a problem ... We are going to give the Commissioners a very wide discretion. They must not be afraid of trying experiments even if those experiments fail." 11)

Other speakers in the debate indicated their encouragement of the Commissioners to experiment and their impatience with the normal machinery of Government.

In response to the widespread criticism of the smallness of the sum allocated to the Commissioners, Government speakers went as far as they could to imply that the till was wide open, if the Commissioners could show that they needed more money to help solve the problem.

A study of the text of the Act makes one wonder what the Government had in mind. While the powers of the Commissioners were expressed in very wide terms, they were, in fact, limited in some important respects; in particular by section 1(5) (a), by which the Commissioners were precluded from carrying on, or giving financial assistance to undertakings carried on for gain. Nor were they permitted, under section 1(5) (b) of the Act to provide financial assistance by way of loan or grant to local authorities. The provision of employment was not mentioned anywhere in the Act.

Although the Government had given the impression that nothing would be allowed to stand in the way of finding solutions to the problems of the depressed areas, it appears that the restrictions of the financial powers of the Commissioners were fully intended. In his evidence to the Barlow Commission on 2 February 1938, Mr. Humbert Wolfe, for the Ministry of Labour, said:-

" It was not the intention of Parliament that the Commissioners should carry on State Trading or subsidise the Special Areas at the expense of the rest of the country." 12)

In other words, there were to be no financial inducements, no carrots for anyone moving a factory to a Special Area or setting up a new concern there. But in the absence of any policy on the location of industry, there were no sticks either. It was not surprising therefore, that the Commis-

sioners failed almost completely to obtain new industries in the Areas.

In his 1st Report, the Commissioner for England and Wales wrote:-

" It is natural that wherever one goes in these Areas, one should be met by the demand that something should be done to attract fresh industries to the Areas... I regard it as at once the most important and the most difficult of my duties to try to satisfy it. I have given more time and personal attention to this side of my work than to any other, but it must be frankly admitted that up to the present the results have been negligible." 13)

We shall come back later to describe a particular campaign by the Commissioner to persuade firms in other parts of Britain to move into one of the Special Areas. The failure of that campaign played a part in persuading the Government to widen the interpretation of the 1934 Act.

Looking back over more than 40 years to the first Special Areas Act, we are forced to conclude that its concept was too limited and that the assistance which it was designed to give the Special Areas bore little relation to the scale of the problem.

The Commissioner for England and Wales found it necessary to correct

" much misunderstanding as to the extent of my powers, perhaps partly due to the statements made by members of the Government during the passage of the Bill," 14)

and to point out the directions in which, in practice, his powers were limited. On a later occasion, he offered the opinion that some of these limitations, at least, were seriously hampering his work, 15) but it was not until May 1937, when the 1934 Act was to be amended, that these limitations were removed.

The localities which were to be treated as Special Areas were scheduled in the 1934 Act. They included all those "which have been specially affected by industrial depression." The 1937 Act conferred powers on the Minister of Labour to add places to the schedule. The criterion for inclusion was a certain rate of unemployment and this remained through all the subsequent legislation concerning the Areas for over 25 years. But as the qualifying rate was changed from time to time - and with increasing prosperity it was generally lowered - localities were removed or replaced and others were added to the schedule with every change of the economic climate. This piecemeal approach to the restructuring of the region caused many anomalies and practical problems which made planning very difficult. At times, this policy had almost grotesque consequences: When Lord Hailsham was sent by the Government in the winter of 1963 to report on any further action required in the North, he found that the southern part of the Team Valley Trading Estate - which was to be built in 1937 under the first Special Areas Act as the centre piece of regional renewal -

was part of a locality which had been removed from the schedule. It was not until 1967 that the whole of Tyneside, County Durham, Northumberland and Cumberland were beginning to be treated as a whole.

Yet in spite of its shortcomings, the Special Areas Act 1934 marked the start of great changes for the better in the fortunes of the depressed areas. It was the first of a series of Acts relating to the Areas, of which the Industries Act 1972 is only the latest. (See Appendix 7).

One of the clauses of the 1934 Act required the Commissioners

" to make recommendations to Government departments and local authorities as to the removal of difficulties which appear to the Commissioners to prevent or hinder measures which might be carried out under statutory powers vested in any such department or local authority and ought, in the opinion of the Commissioners be so carried out." 16)

The Commissioners made good use of this requirement and they put forward many proposals which were eventually incorporated in legislation or practice. Almost the whole of post-war regional policies can be traced back to their work. The Barlow Commission itself was first proposed by a Commissioner. 17) Its report was to form the basis of policies on the location of industry in Britain after the War.

In spite of his limitations, the Commissioner for England and Wales carried out much excellent and essential work. The range of his activities was very wide:

He assisted in modernising docks and harbours, in providing new water supplies and sewage works, in building new hospitals and houses. His assistance in the social field covered all conceivable activities, from the care of the old to cookery classes for unemployed youths. He helped to buy smallholdings for several thousand families who were to be settled on the land, he encouraged - and financed - the clearing of derelict sites. He devoted much time and money to training and re-training of young and old alike.

The table of Appendix 8 lists the expenditure on the main lines of effort by the Commissioner for England and Wales. The table covers the year to 30 September 1938. 15 months had passed since the 1937 Act had permitted him to provide financial inducements to firms moving into or expanding in the Areas. It is, therefore, surprising that only 25% of his total expenditure was concerned with industrial projects and factories.

The Commissioners formed a powerful lobby. They used every opportunity, including their own reports, to draw attention to the needs of the Areas and to their own limitations in doing what was necessary. They materially helped to ensure that both the public and Parliament were becoming better informed about the problems of the Areas.

Government-financed Trading Estates: Origins and
early Development

We have already ventured the opinion that Government-financed factories, available to let, proved to be, in the long run, the most successful weapon in the fight for the regeneration of the older industrial areas of the North. The idea was applied with comparable success not only in the other Special Areas of Britain, but also in other industrial countries with similar problems and, indeed, in under-developed countries, where the problems to be solved were quite different.

We shall examine, therefore, how the idea came to be proposed, - in the context of the problems of the older industrial areas -, how it was fought for and how it came to be finally accepted by Government.

Even the most cursory examination of the problems of those parts of England, Scotland and Wales which contained the Special Areas, would have provided two firm conclusions:

These Areas depended on their prosperity on a few heavy industries on the one hand, and they lacked many of the light industries which were growing fast in other parts of Britain, on the other.

The older industries had been declining ever since before the first world War, for reasons which we have examined briefly in chapter 2. There was a real fear that these industries would never regain their former importance. These fears proved to be wholly justified when world trade increased again quite strongly.

The lack of more light industry was deplored by many people in the areas concerned - if not by all - and every report on the state of the economies of the Areas written by official or academic investigators from 1929 onward drew attention to it.

There were divided views on how such industries could best be encouraged and there were, indeed, some doubts whether they could succeed in the Areas - with their entirely different industrial traditions -, but there was little doubt that more light industries were essential, if the Areas were ever to regain a reasonable level of prosperity.

With the benefit of more information than was available to the Commissioner for the Special Areas of England and Wales at the start of his work, we now know that the rate of growth of light industry required to bring unemployment in the North down to the level of that of London was greatly under-estimated at the time. Fogarty, using information prepared by the Ministry of Labour for presentation to the Barlow Commission in 1938 (Appendix 9) concludes:-

" The lighter industries on which the prosperity of the

Midlands, London and the South East was based developed as rapidly in the North East as in other parts of the country; Northumberland and Durham contained in 1923 some 3.5 of the insured workers attached to the 23 industries which expanded faster than the general average in Great Britain as a whole between 1923 and 1937, and obtained 4.1% of the increase in the number of workers in the 23 industries between these dates. But the North East was hopelessly handicapped in its efforts at adjustment by the high proportion of its workers who were engaged in the declining heavy industries at the start; only 22% of the insured workers of Northumberland and Durham were in the expanding industries in 1923, as compared with 38% in the country as a whole. Allowing for the high percentage of women in many of the growing industries, it may be estimated that, to reduce unemployment to the level of London and the South East, it would have been necessary for the growing industries to expand in the North East more than twice as fast as in the rest of the country." 18)

But whatever the rate at which such developments were seen to be necessary, it was natural that much effort should have been devoted to the examination of the factors which facilitated the growth of the newer manufacturing industries in and around London and elsewhere.

It was noted that many of these industries were new starts and that the capital available to the founders was usually quite small. Such new firms only rarely had the resources to buy sites, provide services and erect their own factories, even when serviced sites were available.

Particular interest was focussed on two privately-financed factory estate companies, which had successfully attracted light industries since 1918.

Trafford Park Estates Ltd was formed in 1896, two years after the opening of the Manchester Ship Canal, and its object was mainly to bring business to the Canal. Although the company had built a number of small factories to let, its major development was based on leasing sites to firms building at their own expense. By 1939, there were 200 firms established on the Estate, employing over 50,000 people.

The Slough Trading Estate was established on a site originally developed by the State during the first world War as a motor transport depot. It was acquired in 1920 by Slough Estates Ltd, a company which had been formed to purchase from the Government and sell the surplus motor transport from the War. The term 'Trading Estate' arose from the activity of the company, trading as it did in war surplus stores.

In 1924, when the disposal of the surplus motor transport had been completed, the company began to develop the estate as an industrial estate, the freehold of the whole of which would be retained in their own hands

and on which they would provide factories for renting by manufacturers. In this respect, the plan of operation differed from that at Trafford Park.

For the first few years, factory accommodation was provided by letting, after suitable adaptation where necessary, of existing factory buildings. In these early years of the estate some large manufacturing firms settled on it. Large factories were, however, the exception. The policy of the company was to attract a large number of undertakings to the estate. Because of this policy, not more than 3% of the company's total profits depended on any one of the factories on the estate.

The company adopted standard types of factories which could be constructed quickly and, because of the economies secured through standardisation, could be let at lower rents than would otherwise have had to be charged. Small 'bijou' factories were made available for persons manufacturing on a small scale. Services, including railway sidings, were provided by the company.

In 1939, there were 210 firms on the Slough Trading Estate, employing about 30,000 people. The company launched a similar estate before the second world War at King's Norton, Birmingham, on which 57 firms had settled by 1939, employing 1,500 people. 19)

It was the success of Slough particularly which attracted the attention of those who urged the Government to finance similar developments in the Areas, since private capital was unwilling to invest there.

As the object was to be employment - not profit, as at Slough and at Trafford Park-, it was thought that Government-financed factories could be offered on better terms than those on the commercial estates.

But only a small number of people appear to have pressed for the establishment of Government-financed factories in the early years of the depression. Everyone was searching for large-scale and speedy solutions to the appalling problems of the Areas. It was realised that Trading Estates were unlikely to attract large manufacturing units from outside the Areas. This was to be confirmed by the experience of the Commissioner. Firms likely to rent factories on such Trading Estates would be small or new and would not, in the short term, make any impression on the unemployment problem. Some local opinion, including the Trades Unions, seem to have concentrated on ideas for reviving the traditional industries of the North - in disregard of the changed situation of world trade - and showed little interest in new light industries, whatever the economists advised. For these and other reasons, the concept of Government-financed factories received little political backing.

It is clear that Capt. Wallace received a number of representations

on Government-financed Trading Estates in the summer of 1934, but we do not know from whom. In this report he wrote:-

" There are possibilities that one or more sites could be acquired for development along the lines of the Trading Estates at Slough or Trafford Park, and there is no doubt that the provision of these facilities makes a special appeal to the promoter of a new business." 20)

But the idea that the Government should finance such Trading Estates appears to have been considered a daring one at the time, because Capt. Wallace qualified his suggestion at once:-

" This proposal is made with considerable reserve, since it is recognised that the whole problem of the most effective use of our national credit, and the largely increased savings of our people, for the provision of employment ... requires for its solution the most detailed knowledge and prolonged study." 21)

The idea of Government-financed factories was supported by the newly-founded Development Organisations. In October 1935, the North East Development Board sent recommendations for industrial developments to the Government. These included the following:-

" We feel that Industrial Estates should be created in various parts of the area on the lines of the Slough Trading Estate, Welwyn, Trafford Park, Park Royal etc... The finance for this undertaking would have to be provided either by Government or by Government guarantee, and there is no reason why such an undertaking should not in time be self-supporting." 22)

At its Council meeting on 28 October 1935, the Tyneside Industrial Development Board strongly urged the Government to finance factories to let, but, as we shall see, the decision to authorise the Commissioner for England and Wales to build Trading Estates at the expense of the Special Areas Fund had, by this time, already been taken. Nevertheless, in its first annual report in 1936, the Tyneside Industrial Development Board claimed that its representations, and those of the North East Development Board,

" helped the Commissioner eventually to establish the first Trading Estate in the North." 23)

At its second annual meeting, on 27 May 1937, its President claimed that

" they helped largely in creating the atmosphere which resulted in the Government agreeing to build Trading Estates." 24)

At the same meeting, Herbert Shaw, a Vice-President and former secretary of the Newcastle and Gateshead Chamber of Commerce (1902 - 1932) threw an interesting light on the origin of the idea of Trading Estates in the North:-

" Some of you may remember that I was chairman of the

first Board (The Tyneside Industrial Development Conference) and you can imagine that when I see the success of the Trading Estate, (which was being built at the time at Team Valley, Gateshead) I am very pleased. You may be astonished to know that 10 years ago or more, that was one of the first recommendations my committee made." 25)

As we were unable to find the minutes of that committee, we are not able to confirm that Government-financed Trading Estates were proposed rather than 'commercial' ones. If the Tyneside Industrial Development Conference did indeed suggest such factories as a means of bringing new light industries into the area in 1927, it was almost certainly the first time such a suggestion had been made.

The most persistent supporter of the idea was undoubtedly S.A. (later Sir) Sadler Forster, a young Middlesbrough accountant and, from 1933, secretary of the Teesside District Development Board. In 1966 he wrote:-

" 36 years ago, I started to besiege the top brass of the Civil Service. Every month I journeyed to Whitehall, confident that this time the idea of Government-financed factories in the depressed areas would be accepted. Month after month I returned empty-handed. I was treated with much kindness, but the Government was not ready for what appeared to them a 'novel and unorthodox proposal' which involved 'Government participation in what is normally private commercial enterprise.' " 26)

An attempt was made to persuade Slough Estates Ltd to build a Trading Estate in the North. Executives from the firm visited West Hartlepool sometime in 1934 and carried out a brief survey, but no action resulted. Private Enterprise was unwilling to invest in factories in the depressed areas precisely because they were depressed. There seemed no way out of this vicious circle.

The major role which Trading Estates and other Government-financed factories were to play one day in the restructuring of the North was not foreseen by many. As late as February 1938, when Trading Estates were expanding and other Government-financed factories were being built in almost all the Special Areas, the chairman of Slough Estates Ltd., Mr. Noel Mobbs, included the following remark in his evidence to the Barlow Commission:-

" The Trading Estate is a valuable aid to light industry. It is not, and is unlikely to become, a major influence in the commercial world." 27)

Although financial inducements had become available in the Areas before he gave his evidence, Mr. Mobbs could not have foreseen the introduction of a policy of location of industry, nor the restrictions on factory building outside the Special Areas coupled with a massive investment in Government-financed Trading Estates and other factories in the

Areas.

With the passing of the Special Areas Act 1934, a new phase began in the battle for Government-financed factories. The speeches made by members of the Government during the debate on the Bill had led some to believe that the Commissioners would be able to build such factories under the Act. Their hopes were soon to be disappointed. The idea was too novel in Britain and too great a departure from accepted practice even in the extraordinary circumstances facing the Special Areas. The encouragement which the Commissioners received on the part of the Government stopped short at such unorthodoxy.

Nevertheless, a series of events coincided in the summer of 1935, which enabled the Commissioner for England and Wales to ask for and to be given the powers to build factories at public expense.

But first, it was to be demonstrated by the initial experience of the Commissioners that the problems were more deep-seated than the politicians had realised and it required 6 months of operation of the 1934 Act to show that, as it was being interpreted, it was unlikely to make more than a marginal impact on the problem of the Areas.

Almost from the start of their work, the Commissioners had tried to attract firms from other parts of Britain to one of the Special Areas, or, at least, to persuade them to open branch factories there. In May and June 1935, the Commissioner for England and Wales, with the help of the Federation of British Industries, circulated 5829 firms. 4066 did not reply at all and of the rest, all but 12 gave qualified or unqualified negative answers to the questions put to them in the circular, and of the 12, only 8 were willing to consider the North. 28)

The Commissioner reluctantly concluded that

" it had to be assumed that there was little prospect of the Special Areas being assisted by the spontaneous action of industrialists located outside the Areas." 29)

More constructively, he also concluded that their lack of interest required measures to make the Areas more attractive and to provide other inducements, such as finance on easier terms than available elsewhere in the country. But this kind of inducement was specifically excluded from the 1934 Act. We shall return to the problem of financial inducements in a later section.

Capt. Wallace had already summarised the reasons for the failure of the North East to attract new industries: Firstly, there were the high rates which were a feature of all the poorer areas of the country. The derating of industrial buildings reduced this burden, but the competitive handicap remained, as did the psychological effect. Next, there was an impression that the Trades Unions were inflexible and difficult to deal

with. Capt. Wallace pointed out that, on the contrary, the days lost by disputes in Northumberland and Durham in the years 1930 - 1932 averaged only 6.1 per worker per annum, while in the country as a whole, the figure was 15.1. On the other hand, the fact that the administration of County Durham was generally regarded as a stronghold of socialism was unlikely to prejudice industrialists in its favour.

Then there was the unfortunate reputation the Areas had acquired as a result of 5 years depression. The sight of so many abandoned pits, closed shipyards, derelict buildings and unemployed men was a great handicap when compared with localities where trade could be seen to be expanding. But the most formidable difficulty was seen to lie in the fact that the North East and West Cumberland were geographically too remote from what was regarded as the largest market for the sale of those goods which the new light industries were mainly engaged in producing. A later survey by the Board of Trade actually indicated that manufacturers were willing to set up wherever factories were readily available and the very isolation of West Cumberland was to prove an attraction at the onset of war, but in 1934 any hopes that the establishment of industries new to the Areas might prove an important line of solution of their economic difficulties were shattered.

The number of factories opened and closed every year were recorded, by region, in the Board of Trade Surveys of Industrial Development. Those for the years 1932 - 1934 showed that the net gain of factories for the country as a whole, after deducting closures from openings, was 280. For Westmoreland, Cumberland, North Lancashire, Northumberland and Durham, however, the net gain for the same period was only 8, if factory extensions and works transfers are ignored. ³⁰⁾ (also Appendix 10)

The surveys provided information on the employment created by the factories opened, but none on the employment lost by the closures. There are various estimates in studies of the period, but it is clear that, if there was any net gain at all, it was negligible. The table in Appendix 10 shows that there was actually a net loss of factories in the areas listed above for the year 1934. None of the 8 factories gained by the North in the three-year period was built in any of the places which needed them most: those which had lost the single industry on which most of their employment depended.

The picture was gloomy and the Commissioner realised that something special would have to be done.

The publication of his first report in early July 1935 - 6 months after the passing of the 1934 Act - provided an opportunity to debate the working of the Act in Parliament. The debate in the Commons took place on

23 July 1935.

The motion, proposed by Mr. Arthur Greenwood, was

" That in the opinion of this House, the reports of the Commissioners for those areas which have been especially hit by the industrial depression expose the utter futility of the policy of H.M. Government, and this House, therefore, calls for measures which will not only bring immediate and essential relief and the prospects of economic restoration but will deal fundamentally with the conditions which have crippled industry, destroyed the livelihood of large numbers, of workers and rendered whole districts derelict." 31)

The debate was long but not very profitable. The Government was clearly disappointed that its good intentions had not yet resulted in any signs of improvement in the Areas. The opposition produced no new ideas. Nobody referred to Government-financed factories. Considering the representations which had been made for several years, we can only conclude that such factories were not seen to make more than a marginal contribution to the problem and, furthermore, that it would take time before even this small contribution became effective.

On 25 July 1935 - 2 days after the Commons debate - The Times printed a letter from Mr. Sadler Forster, the Secretary of the Tees District Development Board, (Appendix 11). This set out, once more, the arguments in favour of factories to let and the need for Government to assist with the finance of such factories in the older industrial areas:-

" ...I have received very many enquiries from small firms, and in every case they have asked for a ready-built factory of stated floor area. Practical experience has proved that it is useless to offer them the out-of-date types of buildings which exist in the older areas. They want the kind of services which exist in the Trading Estates and which advertisements have made known to them."

On 29 July, The Times devoted its leading article to the debate of the previous week and made a strong attack on the Government. (Appendix 12)

" ...Of the first importance is the fact that fundamental remedies have not yet been applied ... That is not the fault of the Commissioners. It ought not to have been an unforeseen cause of disappointment to anyone who understood the task remitted to the Commissioners. They were not endowed with powers to do more than ameliorative and reconditioning work."

The leader also referred to Sadler Forster's letter of 25 July and strongly supported both his views on the need for Government-financed Trading Estates in the Special Areas and his demand for a policy on the location of industry.

The reports of the Commissioners were debated in the Lords on 31 July. While the standard of debate was high, no new ideas were put forward, except for a suggestion by Lord Portal, in his maiden speech, which was

to have some significance later:-

" Would it not be possible, when foreign firms come over to this country, not only to suggest to them but to make them put down their factories in some of these areas where people are out of work?" 32)

Lord Ridley, the Chairman of the North East Development Board, referred to the need for new industries in the Special Areas:-

" We must ... do everything possible to encourage manufacturers from abroad and people at home to start enterprises." 33)

He made no references, however, to Government-financed Trading Estates. Prof. G.H.J. Daysh feels sure that this omission did not signify a lack of interest in such Estates. Indeed, he believes that when the papers of the late Lord Ridley become available, they may well show that he was among those who made representations on the need for Government-financed Trading Estates to the Investigator in the Summer of 1934. 34) But in the absence of such a confirmation, we must, again, assume that the potential of modern factories, available for rent, was not widely understood.

Nevertheless, events moved swiftly from now on: On 16 August 1935, the Commissioner for the Special Areas of England and Wales, - encouraged by The Times and sensing that, with an election only a few months away, the Government was ready for a new initiative, - wrote to the Minister of Labour and proposed that he should be empowered to establish one or more Trading Estates at the expense of the Special Areas Fund. 35)

The Government appears to have responded quickly. In October 1935, it published its election manifesto in preparation for the General Election to be held on 14 November. According to press reports of the time, this contained the following:-

" It is hoped to enter upon new industrial developments (in the Special Areas), including the preparation of a Trading Estate in which industrialists can find ready-made factories with all the necessary facilities." 36)

The formal announcement of the Government's decision was communicated to Lord Ridley on 25 November 1935 in a letter from the Commissioner:-

" Although many details remain to be settled, I have now been authorised to proceed with the establishment of a Trading Estate. It is my intention that the first Estate should be in or near Tyneside." 37) (Reproduced in Appendix 13)

Four days later, in a speech at Dundee, the new Prime Minister, Stanley Baldwin, raised the creation of new industries in the Special Areas almost to the level of a patriotic duty:-

" From every point of view, from the point of view of our very civilisation, I regard the introduction of new industries in some of these Special Areas as being the

most important work to which a British citizen can devote his capital and his brains for the benefit of his fellow men." 38)

The Prime Minister also made the first announcement in Parliament about Government-financed Trading Estates. He had taken over from Ramsay MacDonald as head of the National Government on 7 June 1935, but now he had come to the House after an election victory in his own right. The House had re-assembled after the summer recess on 26 November and during the Debate on the Address on 3 December, Mr. Baldwin replied to Mr. Attlee, the leader of the Opposition:-

" The rt. Hon. Gentleman said there was nothing in the King's Speech about Special Areas ... among the major schemes to which I think reference should be made, is the establishment of one or more Trading Companies charged with the duty of establishing and equipping estates in the Special Areas. The difficult legal preliminaries in this matter are being actively cleared away and there is every intention of proceeding at an early date to a practical issue which will result in factories being built ... to be let at economic rents to industrialists who are prepared to establish new industries." 39)

The legal difficulties to which Mr. Baldwin referred took a long time to resolve. Government had never, in times of peace, owned any factories - except for ordnance factories - and the arrangements had to be such that they fitted into the 1934 Act, if new and time-consuming legislation was to be avoided. The Special Areas Act - and with it, the machinery of the Commissioners - was intended to operate for a limited duration, while the administration of the Trading Estates was clearly a continuing task.

After considering a number of alternatives, the Government chose the form of a company without shares, limited by guarantee, as the trading entity.

The Chairman-designate of the company which was to run the first Trading Estate, Col. K.C. Appleyard, pressed for wide powers for his company. For example, he asked for the right to build executive housing, a not unreasonable request in support of new industries in Areas which had been depressed for several years. Not surprisingly, perhaps, the representatives of Government were initially concerned to limit the powers of this untried venture. The arguments on the draft Memorandum and Articles of Association of the company to be formed continued for many months. Some of the discussions appear absurd to us in retrospect: For example, the question was seriously debated whether any company managing Government-financed Trading Estates would be acting outside the 1934 Act if it made a profit!

In an important paper on 'Government-Sponsored Trading Estates' read to the Royal Society of Arts, Col. Appleyard was able to show that, in the

end, the powers which were granted to the Trading Estate Company were very wide:-

" It was ... the intention of Government ... to enable it (the Trading Estate Company) to provide any and every service which would be of value to industry and would, therefore, draw new firms to the North East Coast." 40)

In the same paper, Col. Appleyard explained the financial arrangements between the Company and the Commissioners.

There was a large gap, to begin with, between the Treasury's ideas on the sums required to establish the first Trading Estate and those of the Chairman-designate. In a Radio broadcast in May 1957, Maj. General Appleyard recalled:-

" ... I was asked for an estimate of the money which would be required for the first 2 or 3 years. My guess, which was pure guess work of course, was £1½ million, and the figure the Treasury had in mind was £300,000. So after some considerable discussion, I was asked to revise my estimate, which I did to £3 million, and finally the Chancellor compromised on a figure of £1½ million to start with, but with the understanding that if the thing went well and showed the results the Government hoped it would ... then I had the assurance that money would not be a limiting factor in future development." 41)

We may summarise the factors which were certain to have played a part in persuading the Government to authorise the construction of Trading Estates at public expense, after resisting any such proposal for some years; all these factors were new in the sense that they did not exist at the time the 1934 Special Areas Act was passed.

1. The Board of Trade Survey for 1934, published in the spring of 1935, had shown that there was a net loss of factories in the counties of the North containing the Special Areas there, at a time when a strong industrial recovery took place in Britain as a whole.
2. The campaign by the Commissioner in May and June 1935 to attract industry from other parts of Britain to the Special Areas was almost a complete failure.
3. The 1st Report of the Commissioner, in early July 1935, showed that, if his analysis was right, his powers were inadequate.
4. The debate in the House of Commons on the 1st Report was embarrassing to the Government. An ineffective Special Areas policy was not likely to be helpful in the forthcoming General Election.
5. The letter by Mr. Sadler Forster to The Times, published 2 days after the Commons debate, and the leader in The Times a few days later, appear to have encouraged the Government at least to examine whether the 1934 Act would permit the spending of public funds on Trading Estates.

6. If the examination indicated that there was no obstacle or that any obstacles could be overcome, the building of Government-financed factories would be a relatively low-cost exercise which would be seen to be constructive.
7. There were no other suggestions for new initiatives in the Special Areas which would not have involved new legislation.

In his 2nd Report, of February 1936, the Commissioner for England and Wales gave his reasons for asking the Government to permit him to build factories to let. It is clear that a great deal had been learned in the 19 months which had passed between the proposal by The Times to appoint investigators and the authorisation by the Government of publicly-financed Trading Estates:-

" There is universal agreement as to the need for attracting and developing in the Special Areas fresh industries, particularly of the lighter type. Such industries have been increasing very rapidly in the South of England during recent years, but there has been little development on similar lines in any of the Special Areas. In my 1st Report, I examined the reasons for this failure. There seems no doubt that an outstanding difficulty is the lack of vacant sites in good order with adequate facilities readily available. The small industrialist seeking a site for a factory is attracted by the admirable facilities provided so freely on estates like those at Trafford Park and at Slough, where, among other advantages, he is able to obtain suitable factory premises on lease, and is repelled from the Special Areas by the lack of such facilities and the expense of the preliminary work which he realises is necessary in their absence. In my first report, I suggested that the Special Areas must develop production for local consumption. Such development would be encouraged by the creation of well-situated trading estates where new business can be established on a small scale without heavy capital outlay on the purchase of land buildings.

Private enterprise has hitherto refrained from establishing trading estates in the Special Areas, presumably because the risk involved is considered too great. The needs of the Areas are such, however, that I came to the conclusion that it was justifiable in the circumstances to recommend the adoption of the novel and unorthodox proposal of establishing trading estates financed out of Exchequer funds. Practical measures have to be taken to provide inducements, if new industries are to establish themselves in these areas.

While the creation of Government-aided trading estates is open to the same objections often advanced with regard to Government participation in what is normally private commercial enterprise, it seems less objectionable than other suggestions which have been made for attracting industries to the Areas by some disguised form of Government subsidy ..."

42)

A way had been found to do something new in the Areas, and to do so within the 1934 Act. The principle that inducements were necessary to achieve a fundamental change in the fortunes of the Areas had been accepted.

A large step forward had been taken, a step which, in the logic of events, was to require others. But these had to wait until the 1934 Act was extended in May 1937.

The purpose of the Trading Estates was seen from the beginning to be more than merely to provide new employment in the Areas. They were intended to provide the base from which the industries in the Areas were to be diversified. The Commissioner made it clear that this was the real objective:-

" ... Their expansion is essential to provide a better balanced industrial production. Efforts to attain this should not be diminished on account of the prospective improvement arising from the Defence programme. Otherwise, history will repeat itself when the programme is completed. It is hoped that Trading Estates will become centres from which increased industrial activity will radiate." 43)

North Eastern Trading Estates Ltd., the first Government company to build Trading Estates in Britain, was finally incorporated on 18 May 1936, 9 months after the Commissioner had requested permission to build factories at the expense of the Special Areas Fund.

The battle was won. Circumstances and the persistence of people like Sadler Forster had combined to achieve success. There was some irony in the fact that no Trading Estates would be built on Teesside - Sadler Forster's original operating base - until after the War, because it was not scheduled a Special Area at the time, but he was to play an important role in the development of Trading Estates in Britain, and, indeed, abroad. In 1948, he became Chairman of North Eastern Trading Estates Ltd, and, on the amalgamation of the English Trading Estate companies in 1960, Chairman of the English Industrial Estates Corporation. He was knighted in 1965 and retired in 1970. He died in June 1973.

Never before in time of peace had any British Government interfered so directly in the mechanism of private commerce, on which the industrial and financial power of Britain had been - and, it was thought, always would be - built. It was perhaps the first time that any British Government had began to realise that

" the relatively passive measures that nurtured the early growth of advanced industrial nations were no longer adequate and must be supplemented by more institutional approaches." 44)

While this observation by Brede referred to the promotion of industrial activity in under-developed countries, it might well have been made about the Special Areas which, in a sense, had to make a new beginning.

In February 1936, the Commissioner was able to report to the Minister of Labour that a number of prominent citizens in the North had agreed to

serve on the Board of the Estates company in an honorary capacity.

Mr. (later Professor) G.H.J. Daysh, Head of the Department of Geography at Armstrong College (now the University of Newcastle upon Tyne) had earlier surveyed a number of sites for industrial Estates and the claims of each were now being advanced with vigour by the interested parties. According to a newspaper report of 8 January 1936, Lord Ridley, interviewed on the attempts by representatives of both Newcastle and Gateshead to secure the Trading Estate for their respective towns, felt it necessary to speak plainly on the question of location:-

" While I welcome this enthusiasm for the establishment of a Trading Estate, I feel ... that it would be a pity if the proposal gave rise to local jealousy and rivalry ... The establishment of such a Trading Estate ... would benefit the whole area and not only the immediate vicinity." 45)

The Commissioner originally favoured a site at East Gateshead, which Gateshead Corporation was clearing on his behalf 46), but the Trading Estate Company decided on 20 April 1936 - before it was formally incorporated - to build the Estate at Team Valley, Gateshead. The Directors were pledged to secrecy and, in order to hide the decision, enquiries regarding a site continued to be made elsewhere.

The reason for this secrecy was thought to have been a precaution against the rise in land values in the neighbourhood. Such rises had occurred in the vicinity of private Trading Estates elsewhere and had raised the cost of acquiring land for housing and recreation space. 47)

Col. R.M. Percival, the first secretary of North Eastern Trading Estates Ltd., who was present at the meeting of the Board on 20 April 1936, explained the reason for the need for secrecy:-

" At the time the decision was taken to build at Team Valley, we did not yet own the land. There were a few large and many small land owners (allotment holders) and the buying of the site had to proceed with some discretion if we were to obtain it at a reasonable price." 48)

Col. Percival also recalled that the Directors of the Trading Estate Company were very concerned that the rates to be levied on factories should be low, so that one of the disadvantages commonly cited against a location in the North East should be removed. For this reason, discussions took place with the Borough of Gateshead and, as a result, the Trading Estate Company undertook to construct and maintain all roads, sewers and other services in order to relieve the Borough of these obligations.

On 18 July 1936, the secretary of North Eastern Trading Estates Ltd was able to inform the Commissioner that a site had been chosen.

The Company appointed Mr. (later Lord) W. Holford as consulting architect and by the autumn of 1936, plans were sufficiently advanced to

call for tenders for the work of draining and clearing the 700 acre site and for putting in roads and sewers. The site was swampy and the river Team had to be diverted into a newly-dug bed along half the length of the site. It turned out to be the biggest river diversion ever undertaken in Britain up to then.

8 miles of road were constructed and 8.3 miles of railway lines laid. Kingsway, the 1.5 mile long central highway traversing the whole of the Estate, was designed to be the most splendid industrial road in Europe. All this work was completed in less than one year.

The construction of factories started in January 1937 and, in spite of very bad weather, rapid progress was made. Although many of the factories required piled foundations, we have documentary evidence that the building of a 22,000 sq.ft. factory of conventional construction - steel frame and brick walls - required less than 30 days between the contractor moving on site and the tenant moving in. By any standards, the speed of construction was remarkable. In September 1937, less than a year after the start of clearing the site, - an exceptionally difficult site -, the first tenants moved in.

The factories were planned with the experience of Slough in mind. They were of standard size, only 3 sizes being built to start with, from 6,000 - 22,000 sq.ft. The smallest units were dividable into 4 'nursery' units of 1,500 sq.ft. each, or into multiples of 1,500 sq.ft. and many, later successful firms, started in one of these small units. Little expansion space was provided, the intention was that firms should move to larger factories as they grew and the leases were designed to facilitate such moves.

The concept of the standard factory proved to be remarkably successful. Firms in a large variety of light industries could be accommodated with almost equal facility. The number who could not was small and a few special factories were built in order to attract even firms with unusual requirements.

During the months following the start of construction at Team Valley, the idea of Government-financed factories aroused much interest. The Commissioner for England and Wales had authorised another Trading Estate at Treforest in Wales, and the Scottish Commissioner one at Hillington near Glasgow. The concept of these planned Estates was beginning to be discussed in many of the National dailies and weeklies and in the more specialised Press. 49)

While Estates like Slough had provided experience for the planners of the Government-financed Trading Estates, the fundamental difference in

their origins and purpose was not overlooked:-

" Slough has few points of resemblance with Team Valley or Treforest; the one came into existence to develop a derelict State industrial area, the others, as a contribution to the geographical realignment of industry. The latter conform to the public policy in the sense that they must represent a good social as well as economic activity." 50)

By the time the second world War started in September 1939, sufficient factories had been built at Team Valley to provide work for about 4,000 people, and for another 1,000 in 'Commissioner's' factories, about which we shall have to say more in the last section of this chapter. Most of the available factories were occupied and while the employment they provided was not large in relation to the unemployment still persisting in the Special Areas of the North East, it had become clear that factories available for rent would make a major contribution to the restructuring of the Areas in the future.

Factory building stopped for the duration of the War, except for those required for war production. The Board of Trade took over the allocation of factories on Trading Estates - as everywhere else -. The factories built before the War, - and sites which were prepared -, were soon proving to be important for war production and factories of firms engaged on non-essential work were requisitioned by the Board of Trade.

The requisitioning of factories during the War drove a number of firms away from 'the valley' for ever, but the heavy demand for space after the War, particularly for the smaller factories, enabled the Estates Company to find new tenants very quickly.

It is not our purpose to trace the development of Trading Estates and other Government-financed factories in the Special Areas beyond their origin. We may note, however, that some, at least, had a vision of their future importance:-

" Is there any reason why all future factory and trading estates should not conform to this example? The Team Valley and Treforest schemes provide a means for industrial planning combined with sure technical and economic advantage. If they are successful, they may be decisive for the determination of industrial location in this country." 51)

This proved to be an optimistic view. Planned factory estates, however attractive - and even the inducements provided under the 1937 Act - were insufficient to persuade industry to move into the Special Areas on the required scale. For this, some form of 'stick' was needed and it was not until 1948 that the construction of factories outside the Special Areas was controlled by the Industrial Development Certificates introduced under

the Town and Country Planning Act 1947.

But the writer may have been right when he concluded:-

" The factory and trading estate may be the greatest single contribution of this country to the rational replanning of the new industrial and scientific age." 52)

Finance for new industries

The investigators appointed by the Government in April 1934 in preparation for the first Special Areas Act had drawn attention to the need for the introduction of new light industries in the areas they investigated. The Government-financed factories which were now authorised were intended to make a major contribution towards that end.

But factories alone were not enough to ensure the establishment of new manufacturing enterprises in the Special Areas. Venture capital was necessary and this had been difficult to obtain in the Areas.

Capt. Wallace, the investigator for Tyneside and Durham had reported:-

" Another serious handicap to the promotion of fresh enterprises was stressed by those ... who appeared to be best qualified to speak. The post-War (first War) rationalisation of our banking system has resulted in the extinction of the smaller concerns with definite local associations, with the inevitable result that financial accommodation on anything but a very modest scale must be sought in London; and it has been suggested that in such circumstances, capital assets or past balance sheets appear to be accepted as more important criteria than the earning capacity of any new venture." 53)

In spite of such evidence, the 1934 Special Areas Act made no provision to overcome this difficulty. Indeed, it specifically prevented the Commissioners from providing financial assistance, even indirectly.

The Government had no excuse for being unaware of the situation. Capt. Wallace had drawn attention to the fact that even the more specialised Finance Houses did not meet the need:-

" Whilst it is recognised that such organisations as Credit for Industry Ltd have been set up for the express purpose of promoting more internal investment, it hardly appears that these arrangements are adequate to cope with the local situation, since their activities are limited to financing the expansion of existing business." 54)

The 1934 Act did not foresee the reluctance of existing British firms to move to the Special Areas, nor the consequent need for depending very largely on the establishment of new firms in the Areas for the implementation of Government policies.

In Chapter 2 we have referred to a small industrial finance company set up by some Tyneside businessmen in 1933, Northern Industries Development

Ltd. Its object was to help create new manufacturing ventures rather than secure an adequate return on its capital. Capt. Wallace felt that this approach might point the way:

" ...within the limitations imposed by its financial resources, it has proved of real value, and I believe that some such organisation on a much larger scale would be worthy of Government support." 55)

The Commissioner also referred to this brave venture, but felt

" that the capital they were able to raise on Tyneside was not sufficient to ... give the experiment a fair chance." 56)

The problems of venture capital caused the Commissioner serious problems. At best, it delayed the establishment of new enterprises, at worst, it lost the Area an incalculable number of such enterprises.

In his 2nd Report of February 1936, the Commissioner for England and Wales wrote:-

" There is no need here to examine at length the reasons why difficulty is experienced in obtaining capital to finance new industries in the Special Areas. The all-important fact is that the difficulty exists and is the subject of constant representations from each area. It is difficult to make issues for public subscription for companies requiring a small amount of capital. It is not the function of the joint stock Banks to finance new enterprises. The Merchant Banks do not generally interest themselves in small concerns needing a few thousand pounds, and the organisations which have been specially created to deal with the finance of these concerns seem to devote their attention mainly to the expansion of businesses which can show a satisfactory balance sheet and have assets to offer as security. I have referred many enquirers to these organisations, but very few have been able to give proof of their credit-worthiness which is needed before assistance can be obtained." 57)

In the same report, the Commissioner explained what he had tried to do about this problem. His suggestions involved, for the first time, the notion that the Government should provide some of the finance:-

" ...I came to the conclusion that ... it was essential that further facilities should be provided and that a fund should be created for the express purpose of stimulating the establishment of new industries and the expansion of existing industries in the Areas ... I therefore submitted a recommendation on 26 July (1935) that a special fund should be created ... I am of the opinion that Government funds should not generally be used to finance private enterprise, ... and I hoped that the necessary funds would be put up by financial interests in the City. However, if private financial interests are not prepared to find the necessary money without some Government guarantee, I should regard the giving of such guarantee as one of the unorthodox

measures essential to the Special Areas if they are to be given the opportunities for effective recovery." 58)

The North East Development Board referred to the need for a new source of finance, particularly for new industries, in its recommendations to the Government in October 1935:-

" All efforts to attract new industries to the Area have brought to light the absolute necessity for having a special financial organisation in the Area, the function of which is the financing of new industries apart from assisting existing industries for the purpose of their development." 59)

In a speech at a Luncheon given by the Board on 28 November 1935, Lord Eustace Percy, Minister without Portfolio, foreshadowed Government involvement:-

" There is a factor of credit for these new industries ... I can go so far as to say that the Government realises the full force of the recommendations which Mr. Stewart (the Commissioner for England and Wales) has placed before them and that in one way or another, credit grants will not be lacking for new industries with sound prospects." 60)

Nevertheless, the Commissioner had to wait 10 months before the Government acted: On 6 May 1936, Parliament passed the Special Areas Reconstruction (Agreement) Act. Under its provision, a limited company was set up, the Special Areas Reconstruction Association (SARA). The capital of £2 million was to be subscribed by Banks, Finance Houses and Insurance Companies, while the Government guaranteed 25% of any loan against loss. The company was empowered to make loans to persons either newly setting up a business in a Special Area or already carrying on a business there which needed financial help for expansion. The limiting amount of any loan was to be £10,000.

It was an inadequate beginning. Within 12 months, the Government had to become involved, for the first time, in direct Treasury loans to industry in the Special Areas, but in the meantime, help came from an unexpected source: In December 1936, Lord Nuffield donated £2 million to the Treasury for the express purpose of providing loans to new enterprises in the Special Areas. Again, the loans were to be limited to £10,000 in any one case.

By 1937, it was clear that something on a larger scale was required, if a more ready availability of finance was to become one of the inducements to help persuade firms to set up in or move to one of the Special Areas. The Special Areas (Amendment) Act, to which we will refer in some detail in the next section, contained provisions which authorised the Treasury to make loans, in accordance with the recommendations of an Advisory Committee, to persons carrying on any industrial undertaking established in the Special

Areas subsequent to 6 May 1937, provided that the undertaking was likely to employ no less than 10 persons. The amount of the fund was £2 million and there was no limit to the size of any loan.

There were, therefore, £6 million available for supporting the growth of industry in the Special Areas: £2 million from a charity, £2 million from the Financial sector - supported by a partial Government guarantee -, and £2 million from the Treasury, but only the £2 million donated by Lord Nuffield were earmarked specifically for new ventures in the Areas.

These amounts were not large, but they played an important role in priming new activity in the Areas: In his 5th Report of September 30 1938, the Commissioner for England and Wales reported that assistance from the three sources had been granted to 151 undertakings in his Areas, of which 88 were in Durham and on Tyneside and 15 in West Cumberland. The total capital involved was £5,675,000, of which the Nuffield Trust provided £1.6 million and Treasury £0.95 million and SARA £0.57 million.

The resources of the Nuffield Trust were soon exhausted, but the principle of Government loans has been developed ever since 1937 and such loans have played an important part in regional development policies since the end of the second world War. The size of loans became larger and, since the Industries Act 1972, most lending decisions were left to regional Industrial Advisory Boards.

At the same time, interest in new ventures in the Special Areas waned since the end of the War. Since 1948, the introduction of Industrial Development Certificates enabled the Government to restrict factory building outside the Special Areas and this, together with a variety of inducements, brought British firms wishing to expand, and foreign firms looking for a location in Britain, into the Areas. The objective of Government - once the deep structural problems of the Areas were recognised - was to provide the largest possible amount of employment in any one factory and this could be achieved more quickly by encouraging the move into the Areas of existing firms - or branches - rather than by encouraging new ventures.

So far as refugee ventures were concerned, the picture is not clear. Quite a number of people we interviewed could not remember the precise assistance they received, even when we spoke with the founders themselves. Their families or successors were often unable to give us any information at all or, at best, confused the sources of finance. Some founders or their families were emphatic that they received no assistance at all, although in some cases they appear to have obtained promises before setting up.

It must be remembered, however, that the majority of refugee industries in the North were set up after 1938, by which time the fund intended

specifically for new ventures was practically exhausted. It was, in any case, very difficult to negotiate such loans before arrival and at that stage, most refugees had already made what arrangements they could. Indeed, this was necessary before they obtained permission from the Home Office to establish themselves in Britain.

From the information we have obtained and recorded in our Case Histories, the position was as follows:

	<u>Refugee Industries established by 1.9.1939</u>	<u>Number Assisted from Special Area Funds</u>
North East	32	5 known
West Cumberland	10	5 known

We may draw further conclusions from the Case Histories: The early arrivals in the North East and, indeed, in West Cumberland, were more likely to receive assistance from the Nuffield Trust, and even from SARA, as was to be expected. Furthermore, those in South West Durham and in North Shields - who were among the earliest arrivals on the North East Coast - seem to have had more assistance than those who set up at Team Valley. We have come across only one firm at Team Valley - albeit a substantial one - who received assistance from pre-War Special Area Financial Sources. Considering that the majority of refugee firms established before the War in the North East were at Team Valley, this appears surprising.

Because of the lack of precision in the information we were able to obtain, the figures we have given above must be treated with some caution, but they are unlikely to be greatly in error.

We had hoped to obtain the files of the Nuffield Trust from the Nuffield Foundation offices in London, but we were advised that they are no longer in existence. We learned, however, that repaid loans were placed at the disposal of King Edward VII Hospital in London.

We decided that it would go too far to search the files in the Public Record Office to establish exactly the financial assistance received by refugee industries and we relied on the information we obtained from the firms.

For the benefit of students who may wish to investigate such assistance, we have established, with the help of the Records Officer at the Treasury, that the files of the Treasury Advisory Committee and of S.A.R.A. are held by the Public Record Office at Ashridge (Summer of 1976), as under:

Treasury Advisory Committee	Class T 187/ 1 - 4
Special Areas Reconstruction Association	Class T 161/ Box 930/S4 1848/1

The Special Areas (Amendment Act 1937)

Apart from the establishment of the first Government-financed Trading Estates, the 1934 Act did little else to attack the root causes of the decline of the depressed areas of Britain.

" The laissez-faire attitude towards industry still prevailed in 1934 and no active steps were contemplated towards deliberately attracting industry to the Special Areas." 61)

The first three reports of the Commissioners and the work done by the local Development organisations, however, had led to a much better understanding of the problems and needs of the Areas and to a gradual change in political attitudes. As a result, the expiry of the 1934 Act, and the obvious need to extend it, enabled the Government to make some quite fundamental amendments. It was recognised, for the first time, that in the absence of any powers of direction, - which were unthinkable in a free society - , it was necessary to provide inducements in order to encourage the establishment of new industries in the Special Areas.

" It became clear that official encouragement would have to be given to the establishment of new industries in the depressed areas and in 1937, Parliament accepted by a large majority a doctrine which had been unanimously opposed three years before - the financing of private enterprise from public funds." 62)

The inducements were to be provided in two ways: The Commissioners were empowered to provide contributions towards rent, rates and income tax, (and, later, towards the National Defence Contribution), while the Treasury was empowered to make loans, subject to the recommendations of an advisory committee.

The new powers of the Commissioners introduced the principles of rent concessions and preferential taxation. These same inducements still play an important part in regional policies in Britain 40 years later, and so does the availability of Government loans, administered by advisory committees.

The 1937 Act also enabled the Commissioners to finance and let factories in the scheduled Areas. The objectives of this new power need some explanation, as does the manner in which it was implemented.

Although only a few factories at Team Valley had actually been completed by May 1937, a very encouraging number of enquiries had been received, mainly from local and foreign firms and individuals. With the inducements now being provided, it was likely that demand for factories would increase. The Commissioner for England and Wales, however, became convinced that Trading Estates would not meet the needs of more than a few of the larger localities, as they were designed for a working population within

a limited radius, and he began to think that there was a need for single factories, or small groups of factories, in a number of smaller places, particularly where the main source of employment had ceased to exist.

" It soon became evident that large districts ... could not be served by only one estate and that attempts must be made to induce industry to go to other places in the Areas. Under the Act of 1937 I was given power to let factories outside the Trading Estates and I have exercised these powers by providing factories on a number of sites, including several which can accommodate many undertakings." 63)

There was an important difference in policy: While the Trading Estates Companies built factories in advance of requirement, the factories to be provided by the Commissioners were to be built only in response to an actual demand.

It was also recognised that the single and group sites required a different treatment from that applied to Trading Estates proper, so far as selection, clearance and development were concerned. The selection was to be undertaken by the Commissioners, in consultation with local interests and with the Trading Estate Companies. The Commissioners leased the sites to the Trading Estate Companies, who cleared and developed them and built the factories. They collected the rents - which were fixed by the Commissioners -, and, after deducting a percentage for administrative costs, remitted them to the Commissioners. Clearance and development of sites was carried out before any tenants were found, but the building of a factory was not undertaken until a lease was signed. The same procedure was followed for the clearance and development of sites for firms wishing to build their own factories. 64)

The clearance of sites fulfilled a double purpose: It provided space for new factories and it improved the environment by the removal of the ruins of a previous industrial age.

The system seems to have worked well and small numbers of factories were provided at Pallion (Sunderland) and at West Chirton (North Shields) in the Tyne and Wear area. Other sites were cleared, for example at East Gateshead, which were to be used for industrial development later.

The principle of single or group sites was extended after the War. and by 1974 there were 36 sites of Government factories, not counting major Trading Estates.

South West Durham presented one of the most difficult problems of all the Special Areas, because coal mining had moved east even before the business recession, leaving behind derelict villages and large-scale unemployment. A promotion organisation like the South West Durham Recon-

struction and Development Board, which had existed since 1935, was not enough to deal with the problem. The Commissioner therefore established a body with executive powers and with the necessary finance, particularly

" to improve the industrial attractiveness of the area and to deal with the difficult problem of the village communities". 65)

The South West Durham Improvement Association Ltd was set up in October 1937. Apart from improving housing and amenities in the villages, the Association cleared derelict sites and, in particular, a site at St. Helen's Auckland, part of which was leased to North Eastern Trading Estates Ltd., who built a number of factories there on behalf of the Commissioner.

In West Cumberland there was no single place where the population was large enough to justify a Trading Estate on the Team Valley pattern. A somewhat different approach was used there: A development company, the West Cumberland Industrial Development Company Ltd, was registered on 14 August 1937. It was constituted with general powers similar to those of North Eastern Trading Estates Ltd., 66) as the Cumberland Development Council had pressed almost since its inception in November 1935 -, but the Commissioner made it clear that any factories would be built under the powers given him by the 1937 Act:-

" I felt it would be desirable to have in West Cumberland a company controlled by people with local knowledge and influence and possessed of powers to erect and let factories on my behalf." 67)

Although building 'Commissioner's factories', the West Cumberland Industrial Development Company was able, under its general powers, to build in advance of requirement. This was to prove of great value: Rumours of War made the location of Cumberland an attractive one, particularly for refugees from Europe, and many enquiries were received within a year, largely due to the indefatigable Jack Adams, Secretary of the Cumberland Development Council and Managing Director of the West Cumberland Industrial Development Company Ltd, and the equally indefatigable Frank Anderson, M.P. for Whitehaven.

Sites were developed at Maryport, Millom and near Whitehaven and small numbers of factories were built.

A most interesting development was the purchase by the Development Company of a large disused mill at Cleator - one of the most depressed places in West Cumberland - which had been standing empty for many years. It was extensively reconditioned. The Whitehaven News of 7 April 1938 records a reporter's impression of the mill and its transformation. It eventually provided 100,000 sq.ft. of excellent factory space at low rents, and it was the first home of several firms which became very successful later, and it is still in use.

By the end of 1939, about 1,000 jobs had been created in the new factories and the impact of this figure on the unemployment in West Cumberland was much greater than the comparable figures on the North East Coast.

The 1937 Act made other, less important provisions. The most interesting one was contained in clause 5, under which the Treasury was empowered to provide financial assistance to any site company wishing to build factories in the Special Areas up to one third of its share capital. There do not appear to have been any such companies before the War, but several were active since 1945.

The powers provided by the 1937 Act indicate that, in the context of the Special Areas, the importance of factories to let, either in advance or in response to requirement, had become understood, as had the need for financial inducements.

By the end of 1937, therefore, a range of practical steps had been taken to facilitate the introduction of new industries into the Areas. Great progress had been made since the first Special Areas Act of 1934:

Not only had the need for factories to let been recognised, but the means of financing and building them had become flexible. Apart from major Trading Estates, smaller Estates, group and single sites were being developed or projected. Sites had been cleared and developed for firms wishing to build their own factories. Powers existed to acquire existing buildings and to convert them for use by new industries. The principle of financial inducements had been accepted and Government loans had become an essential aid in the drive for new industries.

Although there was as yet no policy on the location of industries, some results were being achieved at last: In the first 15 months after the passing of the 1937 Act, the Commissioner for England and Wales reported that he had assisted 28 firms in the North and the rate was accelerating, in spite of a new, minor business recession following the 1937 cyclic peak. 68)

The new factories and the financial inducements were beginning to work, but the experiment did not have enough time to prove its worth. Barely 2 years elapsed between the occupation of the first factories at Team Valley and the start of the War. The other Estates and factories on the smaller sites were completed even later.

The employment created by these factories was useful, but it made little impact on the employment situation in the North East, even if in West Cumberland it was relatively greater. Nevertheless, it was noted that the new factories were let almost as soon as they were completed, and often

even before. To this extent, the experiment proved very encouraging and when the restructuring of the Areas began more intensively after the War, factories available to rent and in advance of requirement became the main weapon in the armoury of inducements to bring new industries into the Areas.

The War interrupted the restructuring of the Special Areas and, from 1940 onwards, the traditional industries of the North were again fully stretched.

The War also caused great social and political changes. For example, it introduced a large number of women into industry for the first time in the North and this facilitated the more rapid development of light industries later. Politically, attitudes towards the involvement of Central Government in the well-being of industry in all parts of the country changed so fundamentally, that the hesitancy shown by the State during the depression years to come to the aid of the areas most affected is now difficult to understand.

After the War, the limitations put on factory construction in other parts of the country by the introduction in 1948 of the Industrial Development Certificate provided a powerful stimulus for industry to move into the Special Areas. Government-financed factories, particularly those available in advance of requirement, assisted this move. By the end of 1975 there were about 800 such factories in the North, all of which were administered by the English Industrial Estates Corporation. There were 26 Trading Estates, 16 group and 22 individual sites. 19 individual sites had been sold off to their tenants and the major Trading Estate at Newton Aycliffe - only second in size to Team Valley - was transferred to the New Town Corporation. 69)

Other organisations entered the business of providing factories to let after the War; Private developers, New Town Corporations and Local Authorities. The number of factories involved appears to be almost as large as those financed by the Government.

But while the changes set into motion by the 1934 and 1937 Special Areas Acts were considerable, it required a vastly greater effort to restructure the older industrial areas than anyone foresaw in 1934 - or even 1937 -, and more than 40 years later, the process is not yet complete.

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CHAPTER 4 : THE REFUGEE PROBLEM

The Origin of the Problem

As we have seen in our Introduction, the industries which form the subject of our enquiry were founded, with one or two exceptions, by Jewish refugees. In this brief section, we shall examine where they came from.

Had it not been for the second world War, there would almost certainly have been created a very serious refugee problem by some of the Eastern European countries which were carved out of the Habsburg Empire or were freed from Russian domination as a result of the first world War. Some of these countries had relatively much larger Jewish populations - forming sizeable ethnic minorities - than any West European country.

Their newly-acquired independence, achieved after long struggles, made Poland and Hungary - as also Rumania - less than tolerant of such ethnic minorities in their midst. Given, in addition, the existence of Churches with almost mediaeval attitudes - not least to the Jews - and the tensions and social conflicts arising out of the change from still mainly agrarian to industrial societies, it was not surprising that these countries resorted to harassment, and even the persecution of their Jewish minorities, in the tradition of the Russian and Habsburg Empires in times of stress, up to our own times.

Most of the refugees we will be concerned with, however, resulted directly or indirectly from the establishment of the Nazi regime in Germany, from where the large majority of refugees in Britain at the beginning of the War originated. This is also true for refugee industrialists in the North as a whole.

The refugees from Austria and Czechoslovakia were the immediate consequence of the invasion of their countries by the Nazis.

If the position of Jews in Eastern Europe was difficult before the Nazis came to power - an event which increased these difficulties for reasons we cannot examine here -, it was the fear that Nazi Germany would invade, or at least dominate their countries, which was the motive of Jewish people in trying to leave these countries before the War. In Hungary, in addition, a number of anti-Jewish laws were passed in the late 1930's which introduced a *clausus* in the professions and in industry, effectively making it impossible for some 250,000 Jewish people to continue to earn a living.¹⁾ This explains the relatively large number of Hungarians in our case histories, although the total number of refugees from that country in Britain was well below 2000. There is little doubt that the extreme right regime in Hungary was following the example of Nazi Germany.

Other refugees we shall be concerned with escaped from France after

its defeat by Nazi Germany. A few others survived the War in some part of Europe but felt unable to remain because of their own experiences or because of the loss of their families or friends in Nazi extermination camps.

The problem of the people who form a part of the subject of this study, therefore, started with the take-over of power by the Nazis in Germany:-

" The German refugee problem derives from the programme of the National Socialist Party, demanding the sole domination of the state, which involves the suppression of political or social opposition of any kind and the acceptance of the theory of German racial purity ... With the assumption of power by Adolf Hitler on 30 January 1933, the application of the principles to the social economic and religious system began ... 2)

The question must be asked, how it was possible for such a regime to establish itself in a highly developed and apparently civilised society?

We did a good deal of work to find at least some of the answers, but we decided that even a brief analysis - which would have to include not only the political and social history of Germany for some 100 years before 1933 but also an examination of the roots of German antisemitism - would carry us too far from the subject of this study.

An examination of British refugee policy, however, appears necessary, if only to contrast the generally negative position taken by the Government with the welcome extended to refugee industrialists.

The main lines of the development of the refugee problem will become apparent from the reaction of the British Government to the events in which it became involved on so many occasions between 1933 and 1939.

We shall also have an opportunity to refer to the climate of opinion in which refugees, and therefore refugee industrialists, arrived and settled.

British Refugee Policy 1933 - 1939

Until the end of the 19th century, Britain had a long tradition of giving shelter to refugees and, in turn, to benefit from the new skills which many of these refugees brought with them.

" As far back as the early part of the 12th century, Wales provided a refuge for Flemish weavers, whose industry left a mark on some Welsh valleys, traceable even today. Flemish weavers and other cloth workers also played a part in the development of the English cloth industry. Those who came under Edward III have gained an almost legendary fame; and ever since, there has been a steady stream of refugees from the Continent of Europe ... Sometimes, the stream became a flood. In the reign of Elisabeth I, large numbers of Flemish and Walloon weavers, fleeing from the persecution in the Low Countries by the Duke of Alva, were welcomed with open arms. A

century later came the revocation of the Edict of Nantes, which caused the exodus from France of about 300,000 Huguenots, of whom about one third found their way to Britain." 3)

Jewish refugees from Cossack massacres, from the endemic programs in Russia and Poland and from the general persecution and molestation in Eastern Europe, found the door wide open when they arrived in relatively large numbers in the last quarter of the 19th century.

Although the British, in general, have never exactly loved foreigners, they defended, often passionately, the right of asylum. Any attempts to restrict immigration at one time aroused the fiercest protests:

" When it was timidly suggested in the Commons in 1824 that we should keep out criminals, there were cries of indignation. When Palmerston brought in a Bill to make it possible to arrest refugees suspected of plotting here against foreign potentates, there was a storm of anger. Palmerston wanted to placate the French, who were furious that the bomb thrown by the Italian Orsini, who was a popular emigree, was made in Birmingham. But this was an attack on the right of asylum. 200,000 people marched on Hyde Park in protest. Palmerston fell." 4)

But less than 100 years later, circumstances and public attitudes had changed completely.

" The 1914 - 18 war ended the period of free entry into our islands. Except for the limited restrictions imposed by the Aliens Act of 1905 on those 'without means' (and then not if they were fleeing from persecution), the right of asylum was, up to that war, a principle sacrosanct to the British. After 1919, our crowded islands, threatened with unemployment, had perforce to restrict free entry. Some restriction was inevitable, but it was carried to an extreme which would have shocked our ancestors.

There started then the system which we know so well that we think of it as in the natural order of things and imagine that it has existed for ever: the whole paraphernalia of passports, visas, interviews at ports of entry with immigration officers, sponsors, permits to work or promises not to, registration with the Police, visits to the Aliens Department at the Home Office, expulsions when visas or permits had run out -, the round which has for the unlucky a nightmarish, Kafkaesque quality." 5)

" Only 3 or 4 times since 1918 did the British Government revert in some measure to the ancient tradition of this country and allow indigent refugees without formality. In the 1930's there were the Basques and the 10,000 Jewish children. Even for adults the Government - responding to public opinion - relaxed some of its restrictions and men and women fleeing from Hitler were allowed in because they were on lists (of specially threatened people) made out by accredited committees ..." 6)

The Nazi take-over in Germany presented the British Government with an entirely new and unexpected problem: A wave of refugees from 'racial', religious and political persecution. The other mass movements of refugees after the first world War - mainly Russians, Armenians and Greeks - had by-passed Britain, although they posed problems to other European Governments.

The new wave

" subjected Ministers and Civil Servants to a cross-fire of intensely uncomfortable political pressures. There were, on the one hand, eloquent representations, both public and private, from Parliament, Jewish groups, the Quakers and other sources to do something for the refugees on humanitarian grounds. Other groups and individuals, slower off the mark and at least initially less vocal, were nonetheless insistent in urging that the number of refugees admitted to Great Britain and the Empire be limited as much as possible." 7)

British refugee policy was to be formed to accommodate these irreconcilable views and pressures, pressures which increased intensely when the problem developed into a catastrophe for millions of people.

In this section we shall examine this policy and public and private attitudes as a whole. The special features of the policy towards refugee industrialists will be dealt with in a later chapter.

We have already referred to the work of A.J. Sherman, who described and documented every aspect of British policy towards German refugees from the beginning of Nazi rule, the extension of the policy towards refugees from countries invaded by Nazi Germany before the War and to those from adjoining countries.

It is unlikely that future scholarship will add significantly to the general picture which emerges from Sherman's study, even if there are specialised areas within that picture - like our own field of enquiry - where further research is necessary. The remainder of this chapter is based, therefore, largely on Sherman's admirable work.

It is our aim, in this section, to highlight the significant events in the development of British policy, to indicate what actions the British Government was willing, or compelled by events, to take itself or to support at the international level.

British policy evolved on assumptions which, with hindsight, were wrong and bore little relation to the nature of the problem. But quite apart from a wrong analysis, British policy was not unaffected by the fact that there was a measure of approval, if not admiration, for the Nazi regime - its brutalities were overlooked or explained away - among members of the Establishment. A political movement modelled on the Nazi Party,

in which members of the ruling classes were represented alongside those for whom a pseudo-patriotic mass movement seemed a solution to their personal problems, flourished briefly under the leadership of an able member of the Establishment. Nor was Britain free from the anti-semitism which 1000 years of Church attitudes had inculcated in the minds of the people of Europe.

But even if Britain had understood better and if there had been a universal sympathy with the victims of Hitler, it is unlikely that the problem could have been solved merely by opening the doors widely. The number of people threatened was so great that only a concerted action by the civilised world could have dealt with a mass migration of penniless refugees. The alternative - to eradicate the Nazi Cancer by force of arms, even at a modest sacrifice - was unthinkable at a time when the horror of the first world War still haunted the survivors. The mere threat of force was unacceptable to many influential people in Britain and France and this weakness made it possible for a ruthless dictatorship to impose its will both in its own country and on the rest of Europe. When force ceased to be an alternative and became the only course of action open to the free world - at a cost in human suffering and material loss never before experienced by mankind in the same span of time - the overwhelming majority of people who might have become refugees were beyond help.

Sherman divides the time from the beginning of Nazi rule in Germany in 1933 to the outbreak of the War in September 1939 into a number of periods which were significant in the evolution of the problem and of the policy responses by Britain and we shall adhere to the same arrangement.

January 1933 - September 1935

The immediate persecution of marked enemies of the Nazis when they assumed power led to the panicky flight of a relatively small number of people, most of whom escaped to countries adjoining Germany, partly because the frontiers were still open and partly on the assumption that the regime would not last long. Those seeking refuge in Britain were few, mainly scholars, students and businessmen in special trades or with connections with British firms.

The first larger wave of refugees came mainly from the South and West of Germany and from Thuringia, where persecution was most intense, and this wave made for the USA where, for historical reasons, there were better contacts for people from these regions.

Nevertheless, the Jewish Community in Britain at once established a Committee to help refugees, a body which acted in concert with the

established organs of Anglo-Jewry.

In April 1933, a representative Jewish delegation visited the Home Office and proposed that German refugees should be admitted without distinction and that those already here should have their permission to stay extended indefinitely. At the same time, the delegation gave an undertaking which was to prove fateful to the whole future of the admission of Jewish refugees to Britain. It formally undertook that

" all expenses, whether in respect of temporary or permanent accommodation or maintenance, will be borne by the Jewish Community without ultimate charge to the State." 8)

This undertaking was to be relied upon explicitly by the British Government almost up to the War, even when it became clear that the problem was assuming proportions unforeseen at the time it was given and when the Jewish Community was overwhelmed by the consequences. It, too, had failed to understand what was about to happen. It had supposed that

" the number of refugees wishing to come to Britain could be as many as 3 - 4,000" 9)

and it expected that the majority of them would migrate to other countries later. It did not - perhaps could not - foresee that, within a few years, very large numbers of people would be forced to flee for their lives and that they would come penniless.

A Cabinet Committee was set up on 5 April 1933 to consider the proposals by the Jewish Community. The Committee concluded that the existing arrangements for the admission of aliens should remain for the time being, except that control was to be strengthened in that refugees, on arrival, were to register with the Police. The extension of stay was to be considered, provided the Jewish Community were prepared to guarantee maintenance of the refugees concerned. Finally, the Committee thought it might be desirable, if the refugee situation deteriorated,

" to arrange for the problem to be considered by the International Office for Refugees at the League of Nations." 10)

The basic principles of British policy were formed during the early months of Nazi rule. These principles were to be adhered to even when the problem had reached the dimensions of a European disaster, although some flexibility was introduced in the last 6 - 9 months before the War.

The first principle of the policy was that

" ... the interests of this country must predominate over all other considerations, but subject to this guiding principle, each case will be carefully considered on its individual merits ... in accordance with the time-honoured tradition of this country that no unnecessary obstacles are placed in the way of foreigners seeking

admission." 11)

The second principle was that Britain should obtain the maximum benefit from the admission of refugees, either directly, or indirectly, by enabling it to cut a good figure in the world. At a Cabinet meeting on 12 April 1933, it was pointed out that it would be in the public interest to

" try and secure for this country prominent Jews who were being expelled from Germany and who had achieved distinction whether in pure science, applied science, such as medicine or technical industry, music or art. This would not only obtain for this country the advantage of their knowledge and experience, but would also create a very favourable impression in the world, particularly if our hospitality were offered with some warmth." 12)

The implication was that the advantages to Britain, and not the need of someone to save his life were to be the yardsticks of admission, and this principle, too, was adhered to, with some important exceptions in the later stages of the problem.

The Cabinet minutes of 12 April also recorded - for the first time - the notion that a flood of foreign refugees would before long become a burden to the community or replace other workers, who would become a burden. Economists like Sire Norman Angell were later to make many efforts to refute such assumptions, but with little success.

Other strands of British refugee policy developed even at this early stage: Nothing was to be done to offend the Nazi Government, no matter how brutally it behaved. One of the justifications for this was that any offence might merely aggravate the position of the threatened people. Furthermore, - while it is not part of our task to examine British foreign policy of the period in general or the policy of 'appeasement' of Nazi Germany in particular -, Britain traditionally looked for a balance of power in Europe and Nazi Germany was cast as a counterweight to Soviet Russia. These two reasons caused the British Government to act almost up to the beginning of the War - and in spite of daily evidence to the contrary - on the premise that the Nazis were at least rational rulers, with whom the diplomatic game could be played according to accepted rules.

Although the Cabinet Committee had considered that it might be appropriate to refer the whole refugee issue to the League of Nations, Britain, almost from the start, took a strongly negative attitude to the international organisations which existed or were to be created to deal with the problem. It feared that such organisations would commit member countries to policies they could not accept, whether in terms of quotas or contributions and

further, that the words and deeds of such organisations might endanger Anglo-German relations. When the Dutch Government sponsored a resolution on 29 September 1933 inviting the League Council to formulate plans for an international solution of the German refugee problem, the British delegate at Geneva received telegraphed instructions from the Foreign Office which contained the following:-

" while we could scarcely refuse our general support for the proposal that Council should consider this question ... the British Delegation should refrain from too explicitly associating itself with it and from taking the lead in any way. It should also be made clear ... that H.M. Government ... cannot bear any part of the expense arising from the application of any recommendation." 13)

This attitude, which was to continue almost up to the War, and the even more inflexible attitude of the USA - in spite of many fine words -, caused the almost total failure of the international organisations to achieve anything at all.

In Parliament, too, the battle lines were drawn at an early stage. The names of Eleanor F. Rathbone (Ind. English Universities) and of Col. J. Wedgwood (Lab. Stock on Trent) appeared among those pleading for a more generous refugee policy from the spring of 1933 onwards and were to be prominent in that cause right up to the War and beyond. The refugee issue was not one on which there was a clear party line. All parties had a number of prominent members who were for or against refugees, except, perhaps the Liberal party. Those against helping refugees operated generally by playing on established prejudices, by arousing unreasonable fears and by misleading the House on matters of fact. An early example of this kind of approach was given by Mr. E. Doran M.P. (Unionist, Tottenham) in the House of Commons on 9 March 1933. After asking the Home Secretary if

" he will take steps to prevent any alien Jews entering this country from Germany",

he asserted that

" hundreds of thousands of Jews are now leaving Germany and are scurrying from there to this country ... are we prepared ... in this country to allow aliens to come here from every country while we have 3 million unemployed? ... If you are asking for a von Hitler (sic) in this country, we will soon get one." 14)

The exaggeration as to numbers was to be a constant theme also in the less responsible press. The facts were quite otherwise: For the 5 years 1933-- 1937, the annual average of refugees admitted to Britain was less than 2,000. As for refugees creating more unemployment, the opposite

occurred, as we shall see.

On 12 October 1933, the League Council appointed a High Commissioner for Refugees from Germany (Jewish and others). The Foreign Office considered it undesirable that the post should go to a Briton, since

" he might think himself bound to ask us to relax our restrictions in the UK and in Palestine, and such a request coming from a British High Commissioner might be difficult to refuse." 15)

An American, Mr. James G. McDonald was appointed. Lord Cecil was appointed British representative to the Governing Body of 12 countries interested in the German refugee problem. The High Commissioner together with the Governing Body formed an autonomous organisation, separate from the League, whose expenses would be met from private organisations and individuals rather than Governments.

The Government made it clear to Lord Cecil how

" important it is that our favourable position (!) as regards the present numbers of refugees here should not be prejudiced by any recommendations made to the Governing Body." 16)

Lord Cecil was also to use his influence to avoid discussions or recommendations in the Governing Body

" likely to provoke resentment in Germany". 17)

As to finance, the British Government could not consider

" making any financial contribution at all towards expenditure connected either with the High Commissioner's Office or with the application of any schemes which may be elaborated with a view to assisting refugees." 18)

When in October 1934 the High Commissioner requested the British Government to make a contribution of £2,000, it was refused on the grounds that it raised

" a fundamental question of principle on which ... we cannot compromise." 19)

Lord Cecil was instructed, further, to bear in mind that Palestine could not play a significant part in absorbing Jewish refugees, nor that there would be much opportunity for them in the Dominions or Colonies. Within the United Kingdom itself

" owing to the acute unemployment ... there are no prospects for Germans seeking employment in Commerce or industry." 20)

Saturation was also believed to have been reached in the medical and other professions. Lord Dawson of Penn, President of the Royal College of Physicians, conceded that there might be room in Britain for a few refugee

doctors of special distinction, but

" the number that could usefully be absorbed or teach us anything could be counted on the fingers of one hand." 21)

Considering that Jewish refugees brought about that number of Nobel prizes in the Life Sciences to Britain, Lord Dawson's remark was extremely silly, but the fear of competition caused some of the professions to show a lack of concern about the fate of their colleagues in Germany which did them little credit. By contrast, the academic community responded magnificently to the situation. The Academic Assistance Council, and, later, the Society for the Protection of Science and Learning, found places in Universities and industrial research laboratories for more than 600 threatened refugee academics and other highly qualified people.

One of the most urgent problems to which the High Commissioner addressed himself - a problem which was to attract the attention of everyone connected with refugees - concerned the manner in which the refugees were to withdraw their assets from Germany, without which they were unwelcome in any country.

The approaches to the Nazi Government were made by all kinds of people, from the High Commissioner to the British Ambassador - later by American Diplomats -, but no progress was made at all. The Germans knew very well that neither Britain, France nor the USA were willing to apply any real pressure, that they could always threaten to leave the League of Nations - as indeed they did in 1935 - and that they could do as they pleased on the matter of assets of refugees as in any other. In this way, they gradually made life impossible - literally - for hundreds of thousands of people. On the one hand, they prevented them from earning a living in Germany and, on the other, they made such people unacceptable to possible host countries by making them leave almost - and later completely - penniless.

In November 1934, it was proposed that the High Commission for Refugees from Germany be made an integral part of the League of Nations. Lord Cecil strongly supported this idea, adding that the Governing Body,

" in its present form was of very little value"

and

" almost useless". 22)

The Foreign Secretary, Sir John Simon, argued that nothing should be done to

" frighten Germany away from Geneva for good". 23)

Lord Cecil, in a tart rejoinder, refuted the contention that German susceptibilities should any longer be catered to:-

" ...they are stupid people, generally speaking, and very backward in intellectual and spiritual civilisation ... Sweet reasonableness, I am quite certain, is quite thrown away upon them."

24)

Alas, the British Government felt unable to take his advice!

We shall not examine the many moves by private and public organisations or the debates in both Houses of Parliament which preceded the acceptance by the British Government of the proposed new central organisation of the League of Nations in September 1935, subject to the provisos that League funds were to be used solely for administrative purposes and not for relief or settlement and that the new organisation limited its functions to providing legal and political protection for refugees and co-ordinating settlement efforts, nor that any new category of refugee should be included within its scope without the express authority of the League Council or Assembly.

September 1935 - February 1938

Almost at the same time as the League met in Geneva, the Nazis held their National Party Days at Nuremberg, at which the infamous Laws were foreshadowed which, for the first time, defined the undefinable: Who was or was not a Jew. By greatly extending the numbers of 'Non-Aryans', the Nazis vastly increased the dimension and severity of the refugee problem.

The Nuremberg 'legislation' and its consequences were anxiously noted by the High Commissioner, but his suggestion that the British Ambassador in Berlin, jointly with his American colleague, should be authorised to approach the German authorities and urge that arrangements be made for an orderly transfer of refugees' property - to avoid a flight of impoverished people - was not well received by the Foreign Office, which feared that such an initiative would be rebuffed.

At the same time, the British Ambassador in Berlin, Sir Eric Phipps, sent a number of despatches - as had other Senior British Diplomats - on the worsening situation in Germany. On 10 December 1935, Sir Eric wrote to the Foreign Office:-

" the position of the Jews is becoming so desperate as to make it more apparent every day that ... the present Nazi policy threatens the Jewish population in the Reich with extermination." 25)

At the end of 1935, the High Commissioner, Mr. James G. MacDonald, resigned, but not before writing a letter to the Secretary-General of the League which was widely publicised and aroused great public interest in Britain and in the USA. While stating the position clearly, the letter was by no means extravagant in tone or content. It merely called for

" friendly and firm intervention with the German Government" on the part of the League, its members and

"all other members of the community of nations"

to

" remove or mitigate the causes which create German refugees".

He based this demand on the legal notion that the protection of minorities had been

" hardening into an obligation of public law in Europe". 26)

It is incomprehensible why the Foreign Office should, nevertheless, have considered the letter

" an unwise document which did disservice to the real interest of the Jews in Germany"

and then added a remark which could have come straight from the pen of Dr. Goebbels, the Nazi Propaganda Minister: The Foreign Office claimed that, in drafting of the letter,

" the guiding hand of Zionism was apparent." 27)

In the meantime, some prominent British Jews, including Sir Herbert Samuel, Lord Bearsted and Mr. Simon Marks, launched a scheme which would have insured an orderly emigration of German Jews. Their proposals included the collection of a large fund from private Jewish sources all over the world. The scheme depended, however, on the assumption that the German Government could be induced to permit the emigrants to take at least a part of their assets with them. The Foreign Office approved the scheme as a limited, reasonable and potentially practical solution of the problem, believing that it would have more chance of success than any appeals to "humanity and decency", 28) but, in the event, the scheme proved unable to move the German authorities.

In July 1936, the new High Commissioner, Sir Neill Malcolm, - a Briton -, convened an inter-Governmental Committee to consider the protection and the legal status of German refugees in their countries of asylum and an arrangement was arrived at. Following the completion of this arrangement, the Home Office agreed to accede the Convention on the International Status of Refugees of October 1933. It had resisted this before because, in its opinion, the Convention was so drawn that it might benefit unknown future classes of refugees.

The year 1936 saw an increasing activity of all authorities concerned with the refugee problem, which was not made any easier by a vast mass of potential refugees waiting in the wings. The Spanish Civil War had not yet ended and the Polish Government had made threatening gestures concerning its 'surplus Jewish population'. Palestine had become a matter of bitter contention. Britain, whose mandate was to create a Jewish National Home - never more necessary than at this moment - felt forced to reduce immigration because of Arab guerilla warfare and by what it saw as its own self-interest

in the Mediterranean. Up to then, the Mandate had been interpreted as facilitating Jewish immigration up to the absorptive capacity of the country. Immigration itself had, however, greatly increased that capacity and some new criterion had to be found. A Royal Commission (the Peel Commission) was established and reported in June 1937. The Commission proposed that the country should be partitioned and that this was the only way out of the conflict inherent in the incompatible obligations assumed by Great Britain to both Arabs and Jews. Its many other recommendations all pointed in the same direction: Jewish immigration would have to be reduced.

" The dispute over immigration to Palestine was destined to become even more bitter as the pressure on Jews in Germany, Poland, Rumania and elsewhere increased throughout 1937 and 1938. Palestine remained the goal of impoverished Jews from Eastern and Central Europe, and their determination to enter the country, legally - or in explosively growing numbers - illegally, brought them into repeated conflict with the British Authorities." 29)

By this time, too, the authorities were forced to recognise that the Nuremberg 'laws' caused the exodus of growing numbers of non-Jewish refugees from Germany, - 'non-Aryans' and others -, of great concern to the Churches. The Bishop of Chichester launched a small appeal for such refugees which met with a meagre response. A request to the Foreign Office for £5,000 to help settle such refugees was refused, as was the issue of special surcharged postage stamps.

While the situation in Germany deteriorated further in 1937, the organisations interested in refugees, aware that the High Commission for Refugees from Germany was to be wound up by the end of 1938, redoubled their efforts to make the international protection of refugees a League function. The British Government now felt it inevitable that a single League body should be established, although the Home Office was concerned over the implications. It feared that such a body might

" pursue an idealistic and adventurous policy which would not commend itself to the countries of temporary refuge".

It believed that the most practical solution of the refugee problem would be

" a constructive programme of development overseas." 30)

The world was later to be scoured to find an overseas country where such a development could take place. Rhodesia, Kenya, the Phillipines, Madagascar, and British Guyana, among others, were considered, the latter very seriously, but no suitable place was ever found.

The actual numbers of refugees arriving and receiving permission to land

in Britain at this time was still very small. So small, indeed, that the Secretary of the Refugee Committee of the League of Nations wrote to the Foreign Office:-

" there appeared to outside observers to be a certain inconsistency between our enthusiastic support of the cause of refugees at Geneva and the very little we actually do for them in this country." 31)

In February 1938, yet another convention was signed in Geneva regulating the status of German refugees. The British delegate signed with so many reservations, that refugees in Britain were, in effect, excluded from the protection offered by the Convention. 32) Later that year, the Home Office resisted a number of ideas coming from Geneva, particularly the notion that, if mass settlement overseas was impossible, the countries of temporary refuge might concern themselves with the absorption of their refugees. 33)

So far as any British ability to intervene in Berlin was concerned, this had evaporated altogether. British policy was now totally bankrupt. British anxieties not to offend the Nazis had not improved Anglo-German relations, and had merely intensified the persecution of innocent people.

" I need hardly tell you what you already know", a member of the British Embassy wrote to the Foreign Office on 2 February 1938.

" namely that nowadays our credit is exhausted and any intervention in regard to Jews or the Church merely has the effect of exasperating the Germans both against us and the victims." 34)

March - June 1938

The annexation of Austria in March 1938 and the immediate brutal treatment of Jewish Austrians both by the Germans and, to their shame, by large sections of the Austrian people 35) set the alarm bells ringing at the Home Office. In a memorandum to the Foreign Office of 14 March 1938 it outlined its reasons why this new source of a flood of refugees, quite apart from the worsening situation in Germany, could no longer be controlled by existing arrangements and why, in spite of the unpleasantness this might cause with Germany - visas between the two countries having been reciprocally removed in 1928 - and the inconvenience to travellers, a visa system would have to be introduced:-

" ... from the Home Office point of view, the situation is serious, and ... without the check that a visa system affords, there can be no guarantee that the entry of refugees from Germany and Austria can be effectively controlled." 36)

A circular of instructions on the grant of visas issued to Consuls and Passport Control Officers stated quite openly that the main purpose of visas would be to

" regulate the flow into the United Kingdom of persons who, for political, racial or religious reasons may wish to take refuge there in considerable numbers." 37)

The circular pointed out that it might be difficult or impossible to deport people who had arrived, both on grounds of humanity and because the Germans might refuse to recognise them as their nationals, and it cautioned consular staffs to ascertain whether applicants were bona fide travellers or potential refugees.

The situation in Austria was desperate; the process of depriving Jews of a livelihood in Germany had taken years and was far from complete. In Austria, it was completed, with the utmost brutality, within a few months. The British Consul General in Vienna described the Jewish population in that city as

" terror-stricken, despoiled and fearful of what the morrow may bring forth" 38)

There was serious distress, a large number of suicides and no scheme of organised emigration. The Home Office became aware that any

" unnecessary or wholesale restriction of Austrian immigration would give rise to a strong reaction of public opinion and would find expression in the House of Commons."

At the same time, while the Home Secretary, Sir Samuel Hoare,

" felt great reluctance in putting another obstacle in the way of these unfortunate people". 39)

the fear that any large inflow of Jewish refugees might lead to a wave of anti-semitism in Britain haunted the Home Office and the refugee organisations alike. The Nazi authorities stridently propagated the view that such refugees would cause moral and political contamination wherever they appeared.

The Cabinet set up a small committee to consider the problem of refugees from Austria. Its terms of reference were

" to adopt as humane an attitude as possible, without creating a Jewish problem in this country." 40)

The increase in the volume of Parliamentary questions on Austrian refugees and the private approaches to the Home Secretary - including one by the Archbishop of Canterbury - led to a full statement by the Home Secretary in the Commons on 22 March 1938. 41) This was generally sympathetic but drew attention to the difficulties. The Press reacted with predictable comment. The Manchester Guardian and the News Chronicle pleaded for the greatest possible latitude in the interpretation of the

Government's policy, a sentiment also expressed by The Times. The Daily Telegraph leader asserted that

" the Government was bound to qualify sympathy with practical and prudent considerations".

The Daily Mail was less high-minded and the Daily Express unfriendly. The Scotsman drew attention to the international character of the problem.

The German Jewish Aid Committee was obliged to inform the Home Office on 14 March 1938 that, in view of the dimensions of the Austrian situation, it could no longer guarantee that any Jewish refugee who might be admitted to Britain would not be allowed to become a public charge, except for those admitted after consultation with the Committee. Events had caught up with the original undertaking. It meant that, from now on, the Committee could recommend for admission only those fortunate enough to have friends or relations who would guarantee their support, or could find such support from members of the public. Financial considerations were, from now on, to determine - with some exceptions - whether people were to live or to die. The Committee found itself in this grave situation because of the requirements for admission agreed with the Home Office in 1933 - when the situation was unforeseeable - and because of one of the basic principles of British refugee policy: that the Government was not to make any financial contribution either to helping people to get out of the Reich or to maintain them once they had got out.

The existence of too many voluntary organisations concerned with refugees had, in any case, proved to be a problem and led to much overlap and inefficiency. After the Nazi annexation of Austria, the Home Office proposed the setting up of a Co-ordinating Committee, which would not only serve as a link between the voluntary organisations, but to which the Home Office could send the rapidly increasing volume of immigration applications for distribution to its constituent committees and for investigation by them. Most important, however,

" the Co-ordinating Committee was called into being in order to represent the collective interests of the refugee organisations vis-a-vis the British Government, especially in questions of residence, training facilities, and official approaches to Dominion, colonial or foreign governments on emigration matters." 42)

The Co-ordinating Committee was to play an increasingly important role in a rapidly deteriorating situation.

July - September 1938

In the spring of 1938, President Roosevelt proposed an international conference to facilitate the emigration of German and Austrian refugees.

This invitation lent an entirely new dimension to the problem and raised in an acute form the issue of what contribution each Government was now prepared to make towards a solution. The Foreign Office greeted the Washington invitation with some scepticism, particularly because the US Government appeared to have no intention of revising or enlarging its own immigration quotas. The Foreign Office nevertheless accepted the invitation and carefully prepared the Evian Conference - as the meeting proposed by President Roosevelt came to be called, after the name of the French town on Lake Geneva (the Swiss having declined to allow the conference to take place on their territory).

It is clear from the record that the full seriousness of the situation had become accepted and that there was a need for Britain to do something on a larger scale than it had previously contemplated. The wider problem of the very large Jewish populations in Eastern Europe, particularly in Poland, was being considered for the first time, as also the dilemma that any indication of assistance to these populations would merely encourage the regimes in these countries to intensify their anti-Jewish measures.

The question, however, what Britain could or would be able to do was another matter. Enquiries by the Colonial Office had indicated that there was no room anywhere in the Empire for any but individual cases of settlement. Despite a good deal of prodding from the Foreign Office, which feared that the US Government would expect the British Empire to make a substantial contribution to the refugee problem and would

" criticise very strongly this negative response to their initiative and ... attribute to it any blame that may accrue from the possible failure of the (Evian) meeting", 43)

Mr. MacDonald, the Colonial Secretary, stated that he

" could not hold out any hope that the Colonial Empire will be able to contribute much to the settlement of the problem." 44)

The Dominions were no more helpful. While all of them, except for South Africa , intended to be present at Evian, they held out little hope that they could do much.

Although the instructions to the British delegation included a general willingness to continue the British tradition towards the persecuted, the restrictions and limitations with which they were hedged makes it difficult to see what could have been achieved. In addition, the Palestine issue was to be kept out of the discussions at all costs.

But before the delegation had even left, the policy reflected in the instructions was already attacked vehemently in Parliament. Miss Rathbone,

in particular, initiated a number of proposals which were unpalatable to the Government and to the anti-refugee camp. 45) "If", Miss Rathbone wrote in the Manchester Guardian of 23 May 1938,

" the British Government feels itself too weak to be courageous, at least it might show itself merciful."

Sherman summed up the climate in Britain and, perhaps, in the rest of the world, in the weeks before the Evian Conference started:-

" The clash of pro-refugee and anti-refugee opinion in Britain, as reflected in Parliament and in the press, formed a counterpoint to the diplomatic minuet which was about to proceed at Evian, a minuet which concealed one basic unpalatable fact: No country, in any part of the world, wanted to add to its population destitute and demoralised outcasts. For such many of the refugees had become. Expelled from their countries of long residence, reduced to beggary, and labelled with the by now pejorative title of 'refugees', the fugitives wandered aimlessly on a planet which appeared quite simply to have no room for their kind." 46)

The Conference followed the pattern which the worst fears had anticipated: The Americans were willing to do no more than to consolidate their German and Austrian immigration quotas so that they would receive a total of just over 27,000 people annually from these countries. Apart from this, they insisted that yet another body be formed, - perhaps in response to domestic public opinion -, an inter-governmental committee separate from the League. The Director of this committee was to be George S. Rublee, a septuagenarian American Lawyer. The British delegation, led by Lord Winterton, simply followed its rather negative instructions. France, Belgium, Switzerland, the Netherlands and the Scandinavian countries each emphasised the large number of refugees they had already admitted and protested their inability to absorb more, except for those in transit. The South American countries expressed eloquent sympathy with the plight of the refugees but pointed out that their laws made it impossible for them to contemplate any substantial intake of refugees. The Dominions offered to collaborate in studying solutions but made it clear that they could not modify their existing immigration laws and practices in the present circumstances.

The public statements were, therefore,

" unhelpful, repetitious and largely designed for domestic consumption. " 47)

The British delegation dropped a hint that there might be some scope in the East African Territories, but this possibility also came to naught, largely because of the opposition of the white settler communities in these

territories.

The conference achieved nothing at all, apart from the setting up of the Inter-Governmental committee which, in turn, achieved very little. Indeed, as a result of the conference, a number of overseas countries became aware of the size of the problem for the first time and shut their doors even more tightly.

When the Cabinet considered Lord Winterton's report of the conference, the Home Secretary warned that

" while he was anxious to do his best, there was a good deal of feeling growing up in the country - a feeling which was reflected in Parliament - against the admission of Jews to British territory." 48)

There is no doubt that some Trades Unions and the professions were getting very anxious. While expressing sympathy, charity was often believed to begin at home. This made the task of the Home Secretary no easier. Nevertheless, he continued to look for openings where refugees could be accommodated. For example, he offered to admit refugees as domestic servants, to replace the Germans which were leaving in the atmosphere created by the Czech crisis, subject to the usual guarantees or sponsorships by prospective employers.

The interpretation of this class of admissible refugees seems to have been fairly liberal and included married couples. From the end of 1938 onward, many a former company director could be seen, apron-clad, going about his domestic chores in one of the bigger houses in London and the Home Counties.

A number of Austrian refugees had somehow managed to land without permission. In some cases they were simply put across the borders by the Gestapo and told not to come back. Three of such Austrians were sent to prison by a London Magistrate, Mr. Herbert Metcalfe, who declared that

" it was becoming an outrage the way in which stateless Jews were pouring in from every port of this country. As far as he was concerned, he intended to enforce the law to the fullest extent." 49)

This, then was the position of the refugees in the summer of 1938: It had become an offence to try to save one's life.

September - November 1938

On 29 September 1938, Britain and France yielded to the threats by Nazi Germany and gave away a part of a country that was not theirs: The Sudetenland of Czechoslovakia and, by implication, other parts of that unhappy country to Poland, Rumania and Hungary. It was to be the last act

in the appeasement policy which reduced Britain and France to accessories in Nazi aggression and, before long, enveloped them and all Europe in War, a War which the appeasement policy and, in particular, the rape of Czechoslovakia, had been designed to avoid.

The fact that this extension of German dominion would give rise to an entirely new and large refugee problem appears not to have been foreseen, much less discussed, by the British and French representatives at Munich, where the whole sorry episode was enacted.

Many thousands of people were trapped behind the new German frontiers. They included anti-Nazi Czechs and Sudeten Germans, Jews and other refugees from Germany and Austria who had sought shelter in Czechoslovakia.

Mr. Malcolm MacDonald, the Dominion and Colonial Secretary, addressing Dominion High Commissioners on 5 October 1938 about the possibilities of assisting these new refugees said that

" in some ways all those concerned with the recent settlement in Czechoslovakia had a greater responsibility ... than fell upon them ... in respect of the Jewish refugees from Germany and Austria" 50)

but the Foreign Office made it clear that such an admission could not be made public. 51)

The fate of the unfortunate people caused an outcry in Britain and the Foreign Office was bombarded by letters and besieged by delegations from many bodies, including one from the Labour Party. A delegation from the Party to Prague was authorised to offer to maintain people who were in danger of being handed over to the Germans and could be evacuated until their further emigration could be arranged. The Government made available a £10 million loan to the Czechs, with the request that this money should be used mainly for the relief of refugees, 40,000 of whom had fled to Prague within a few weeks after the Germans had taken over the Sudetenland and who continued to arrive at the rate of 1,500 a day. The British Government requested particularly that no refugees should be sent back to Germany against their will. But the Czechs, having lost all confidence of support from the Western countries, felt they had to act as the Germans demanded and, despite assurances to the contrary, many German-speaking Czechs were handed over to the Germans. The British Minister in Prague, Mr. B.C. Newton, commented that

" it was hardly fair or fitting to ask Czechoslovakia, which had paid such a crippling price for the peace of the world, to do more in the name of humanity than we were prepared to do ourselves." 52)

Apart from a Labour Party delegation, other unofficial British emissaries arrived in Prague at this time. The Lord Mayor of London,

accompanied by Mr. John Wheeler Bennet and Sir Neill Malcolm (in his private capacity), arrived in early October 1938 to investigate the situation for the Lord Mayor's Fund, particularly the position of those who were in danger of being handed back to the Germans.

The British Government, in the face of much pressure, made available 250 visas for those immediately threatened - but not for their families - on condition that their financial support would be guaranteed by the National Council of Labour, and a further 100 visas for people in a similar position, whose maintenance was to be guaranteed by a fund launched by the News Chronicle.

A British liason officer was appointed in Prague to keep an eye on the disposal of the loan, especially in connection with refugee relief. One reason for his appointment was the intense public and Parliamentary interest in these refugees and, particularly in the question of their forced return to Germany.

The Foreign Office warned that H.M. Government should not publicly accept any responsibility for the maintenance or future settlement of any category of Czech refugees, as this might mean the assumption of a commitment of unknown dimensions. Refuting the League of Nations view that Britain had a special responsibility for these refugees, the Foreign Office believed that they should be treated like other refugees and not be placed in a privileged position. 53)

The Dominion Office was firm in its opposition to any financial assistance to refugee migrants from Czechoslovakia - many of whom were skilled farmers -, on the grounds that this would be giving aliens a more favourable treatment than that accorded to British subjects under the Empire Settlement Acts. 54)

As the Foreign Office had feared, the exceptional grant of 350 visas for refugees in special danger proved a fateful departure from previous policy. The League of Nations urged more immediate generosity, pointing out that at least 500 people were in imminent, and 1500 people in only slightly less danger. An added difficulty arose over some 18 Czech Communist Deputies and Senators whose names appeared on the News Chronicle list. The Passport Officer in Prague refused to issue visas to them and the Home and Foreign Offices supported his refusal. When it was discovered that some 80 Jewish refugees, including women and children, were marooned in the no-man's land between occupied Sudetenland and the new Czech border - in desperate conditions -, whom neither the Germans nor the Czechs would admit to their territories, it was decided to substitute some of these urgent cases for those of the Czech Communists.

The debate over the assistance to refugees from Czechoslovakia - and particularly the financial aspects of the problem -, overshadowed the fact that the voluntary organisations dealing with refugees threatened to collapse in view of the magnitude of the task and the inadequacy of the resources available to them. This led to a full-scale crisis between these organisations and the Home Office.

Ever since the annexation of Austria, the German Jewish Aid Committee was forced to decline to accept any financial responsibility for refugees coming from that country, unless they were approved by the Committee. It had run out of funds and from now on, it could recommend only those for a visa for whom firm guarantees could be found. The outlook was bleak for the poor and the friendless, but with the continuing refusal by the British Government to make any financial contribution for the relief of refugees and in the absence of any international financial sources, the voluntary organisations had no choice. The Government was unwilling even to make a contribution towards the administrative expenses of the voluntary organisations. Lord Winterton thought this a political impossibility. The Co-Ordinating Committee, however, took the view that its remaining small resources should not be spent on administration but only on relief. The crisis came to a head when, in response to overwhelming pressures, the Home Office had admitted a considerable number of Austrian refugees without proper financial guarantees. This act of official generosity placed the voluntary organisations in an impossible position as they did not have the funds to support the 3000 or so people involved, who now came to them for help.

The Co-Ordinating Committee returned a large amount of correspondence to the Home Office on 26 October 1938, forcing the Aliens Department to sift the applications for dispatch to the appropriate case-work committee. A few days later, the Co-Ordinating Committee informed the Home Office that it would have to restrict its activities, such as making preliminary enquiries into visa applications, which the Home Office had for several months before referring to it.

The withdrawal of the Co-Ordinating Committee vastly increased the work of the Aliens Department. The financial situation of the voluntary bodies became so serious, that the Co-Ordinating Committee was forced to suggest that a temporary halt be called in the admission of refugees, to give a breathing space for all concerned with their admission, except for certain classes, such as children, young people to be trained and industrialists with capital.

Meantime, the position of Jewish Germans and Austrians was becoming desperate, if only because a large proportion of them were now destitute and

had to be supported by the dwindling number of those who had something left.

Pressure on the British Government mounted from yet another source. The Polish Government informed the British Government that its Jewish question "was becoming intolerable" and that it could not wait for other Governments to accept some of its Jewish population. 55) As a first step, it declared, in effect, some 15,000 Polish Jews who had lived in Germany as stateless. The German authorities arrested these people, loaded them on trains and dumped them in the no-man's land between Germany and Poland near Zbonszyn. The Poles refused to accept more than a few, on the ground that they were now stateless. The unfortunates lived for many months in disused stables, tents and cellars in the vicinity and existed on foodstuffs which had to be smuggled in. Among the deported were the parents of one 17 year old Herschel Grynszpan. His anger at the treatment of his parents led him to shoot and fatally wound the Third Secretary at the German Embassy in Paris, on 7 November 1938. This deed

" was the signal and official excuse for the organised progroms which swept through Germany and Austria on 9 and 10 November 1938 - the 'Kristallnacht' as it came to be called - and triggered off the final desperate pre-War flight from the Reich." 56)

November 1938 - March 1939

Reactions in Britain to the events in the Reich on 9 - 10 November 1938 and after

" were swift and virtually unanimous in condemnation". 57)

Detailed press reports of violence, destruction of property and houses of worship, as well as the threat of massive expulsions

" led to a widespread anti-German response, in which there was little difference between those who were supporters or opponents of the Government's appeasement policy." 58)

Representatives of British Jewry called on the Prime Minister on 16 November to express their anxiety and while, in view of the Government's difficulties, they were not suggesting that the doors should be opened widely, they were urging that the Government should consider the entry into Britain of children up to the age of 17. They would give a collective guarantee that no public funds would be expended on these children, who would be educated and trained with a view to ultimate re-emigration. They also urged that both the Home Office and British Consulates throughout the Reich should have extra staff in order to diminish the delays caused by the massive backlog of visa applications. They also asked that, in spite of the difficulties, 6,000 young men confined to concentration camps and 1,500

children should be admitted to Palestine. Finally, in view of the huge cost of evacuating people from the Reich, they wondered whether the Government could assist in raising a loan on its own or with other Governments.

The Prime Minister's replies were almost wholly negative and the Cabinet, meeting on the same day, recognised that the tone would have to be altered because of serious public concern, not only in Britain but also in the USA, where opinion was

" tending to conclude that the policy of working for peace with Germany was mistaken and was becoming generally less sympathetic to H.M. Government." 59)

In spite of the Colonial Secretary's doubts whether there was much scope for increasing immigration in the colonies, Lord Winterton and the Home Secretary stressed the importance of making some concrete territorial officer, if only to force the United States to open its doors a little more widely. The Home Secretary also reported that he was now getting 1,000 applications for entry every day. Broadly speaking, only those cases were admitted which were recommended by the Jewish representatives, who, however, were

" averse from allowing very large numbers of Jews to enter this country or from allowing the entry of Jews whom they had not themselves approved, since they were afraid of an anti-Jewish agitation in this country ..." 60)

More generally, the Home Secretary stated that the Government was

" going as far as public opinion would allow and that it was important to retain a check on individual people." 61)

Before the meeting ended, Lord Halifax, the Foreign Secretary, made a special plea on behalf of the older Jews in the Reich, asking if it were possible to launch an appeal in Britain to induce people

" to make themselves responsible for the support of individual elderly Jews who would otherwise be left to an appalling fate in Germany." 62)

During the days following the Kristallnacht, the letter columns of the British Press reflected the widespread concern of ordinary people over the apparent lack of response by the Government to the panicky flight from German territory into countries bordering on the Reich, from where most refugees were sent back, straight into the hands of the Gestapo. Organised pressure on the Government was mounting, the Labour and Liberal parties being particularly active. The League of Nations weighed in with memoranda and suggestions.

Faced by all these pressures, the Prime Minister made a statement on

British policy in the House of Commons on the morning of 21 November. He had nothing new to offer except that the Government would invite the voluntary organisations to survey territories in the Colonies with a view to leasing large areas of land on generous terms. But he made it clear that

" however great may be our desire to assist with this grave situation, the possibilities of settlement are strictly limited." 63)

Nevertheless, there were signs that, just as the world was shutting its doors more tightly, British policy was becoming more flexible. This was undoubtedly due to the fact that the Government had a bad conscience over its Palestine policy. On the evening of 21 November, Mr. Philip Noel Baker MP initiated a debate on refugees in the Commons. While the Home Secretary, speaking for the Government, believed that the problem was an international one and although he repeated that the capacity of Britain to absorb permanent settlers was limited, he was now prepared to offer temporary asylum to certain classes of refugees, pending their further migration. Older refugees would be admitted for the purpose of training them for permanent settlement elsewhere. In addition, the Home Office would give visas for child refugees whose maintenance could be guaranteed by private individuals or voluntary organisations. He recommended this last proposal warmly to the country

" as a chance of taking the younger generation of a great people ... and mitigating to some extent the terrible sufferings of their parents and friends." 64)

On the question of an international loan, the Home Secretary said that Britain would play its part in conjunction with other countries.

Soon after, the Home Office actually agreed to dispense with passports and visas for children and devised, instead, a single form giving a few particulars for each child.

The Movement for the Care of Children from Germany organised the emigration and allocation of the children in co-operation with over 100 local committees throughout Britain. The machinery was set up within a few weeks and the first children arrived at Harwich on 3 December.

Large numbers of British people, of all classes and faiths, had expressed their concern for refugees in practical ways from the beginning of Nazi rule. Some had done a great deal. For example Col. J. Wedgwood MP had guaranteed the maintenance of 100 refugees, and Mr. Harold MacMillan MP - a future Prime Minister - had sheltered 40 Czech refugees in his home in Sussex. But the children - and, perhaps, the widely reported scenes of their farewells from their parents -, opened the hearts of people in Britain and thousands of them came forward and offered to be responsible

for one or more.

But the financial dilemma of the refugee organisations remained ever acute, in spite of the sums which Jewish and other organisations - the Quakers having predictably played a large part - were able to collect. On 8 December 1938, Earl Baldwin, a former Prime Minister, made a broadcast appeal to launch the Lord Baldwin Fund for Refugees. When The Times opened its subscription list, it noted that

" private charity cannot, must not be asked to take,
the responsibility which belongs to the Government."

65)

The Treasury, however was not yet ready. Quite apart from political considerations, there was no concrete plan to solve the refugee problem. The nations of the world were never to arrive at such a plan while there was still time, but on 7 December 1938, the League of Nations sent a detailed memorandum to the Foreign Office asking its co-operation in an inter-Governmental effort to raise a £75 million loan.

The Foreign Office felt, however, that to raise any such sum would simply mean that the Nazi Government had succeeded in despoiling its Jews and having foreign Governments foot the bill. Furthermore, the exclusion of Poland, Rumania, Hungary and Czechoslovakia from such a loan would operate as

" a direct incitement to the persecution of the Jews
in these countries."

66)

The only contribution the Foreign Office was willing to consider by way of loan was to defray the cost of refugee settlement in the Colonies, because this would help to

" increase the prosperity of the Empire."

67)

Lobbying in Parliament on the financial issue continued, but the Government merely repeated the principle laid down at Evian by the USA Government, that no financial assistance for refugee settlement was to be contemplated by Governments. 68)

The search for colonial territory continued, but in spite of the enthusiasm of the Foreign Office, who felt that the virtual closure of the Jewish National Home would have to be compensated for by some other territorial offer, no such territory was ever found.

Late in 1938, the question of pressing the Germans to allow refugees to take at least a part of their property with them was raised again, although it was realised that few of them would have anything left to take after the collective fine imposed on the Jewish community of the Reich after 9 November. But Mr. Rublee, the Director of the Inter-Governmental Committee set up at Evian, was to try again. An elaborate scheme was

floated by the Nazis themselves. Dr. Schacht, the President of the German State Bank was authorised by Goering to sound out the reaction. It turned out to be a

" crudely extortionate measure to remedy Germany's chronic shortage of foreign exchange and it was realised that if Schacht's scheme succeeded, it would serve as a model for action by the Polish and Rumanian Governments." 69)

President Roosevelt described the scheme

" as asking the world to pay a ransom for the release of hostages in Germany and barter human misery for increased exports." 70)

Dr. Schacht suddenly resigned on 20 January 1939 and the discussions were carried on by an official called Wohlthat (sic) and despite the misgivings in London and Washington, the scheme was not rejected out of hand. Although it was modified in some respects, the German Government refused to give any undertaking as to how Jews would be treated pending their emigration and furthermore, the plan provided only for the minimal cost of emigration. Foreign exchange for settlement projects would still have had to be found. Finally, the Germans insisted that the plan would only be put into effect when they were satisfied that the countries of immigration were disposed to receive refugees in accordance with the plan. Not one of the countries, however, was willing to let Berlin dictate its immigration policy. At a full meeting of the Inter-Governmental Committee in London on 13 February 1939, Lord Winterton formally declared that the British Government had noted the discussions on the plan in Berlin and that it was prepared to co-operate

" in facilitating the orderly execution of a programme of emigration." 71)

But as Sherman has pointed out, the scheme led only to memoranda, Anglo-American acrimony and a few meetings with German emissaries, until it was interred at the outbreak of the War.

The discussions on finance and areas of settlement, however, left the crux of the refugee problem, - visas and time-, untouched. The climate of terror in the Reich continued unabated and British representatives in Berlin and Vienna sent horrifying reports of the situation. One British Consul was told by a senior member of Hitler's chancellery that

" Germany intended to get rid of her Jews either by emigration or by starvation or killing them"

and, that, in the event of War,

" Germany intended to expel or kill off the Jews in Poland, Hungary and the Ukraine when they took control of these countries". 72)

This chilling statement of intent is of interest because it has been claimed on behalf of Britain and other countries since the end of the War, that the murder of millions of people could not have been foreseen!

The take-over by the Nazis of the Free City of Danzig, whose status was guaranteed in the Versailles Treaty and the immediate promulgation by local Nazi leaders of all the German anti-Jewish measures led to more refugees being created, and to embarrassment at the Foreign Office, which did not recognise the change in the status of the city and could not, therefore, put the refugee problem to the High Commissioner (Sir Herbert Emerson having succeeded Sir Neill Malcolm in September 1938) or the ICG. It pressed the voluntary bodies to accelerate the migration of Danzig refugees and most of the children were eventually rescued - 50 of them coming to Britain - but the adults faced an increasingly precarious situation. 450 of them, without visas, left on 4th March by train for Constanza and there embarked on a Greek steamer for Palestine, but only a few managed to evade British Navy and Army efforts to prevent this. These efforts seem to have aroused the interest of the King - a kindly man -, who, after having had the situation explained to him was reported by his private secretary to have made a tragically naive remark:-

" The King has heard ... that a number of Jewish refugees from different countries were surreptitiously getting into Palestine and he is glad that steps are being taken to prevent these people from leaving their country of origin." 73)

By the beginning of 1939, the Home Office took steps to simplify its procedures and the Aliens Department increased its staff substantially. A simple system was introduced to enable refugees over 60, trainees and transmigrants to be given visas immediately, a system which was agreed with the refugee organisations. In addition, a disused Army camp at Richborough Kent, was re-opened under the auspices of the Council for German Jewry and used to house and train 3,500 male refugees between the ages of 18 and 35 pending their re-emigration, who were in special need of speedy evacuation.

The search for places of asylum on the part of British and other Governments now became "obsessive". 74) One out-of-the-way place after another was mooted and discarded. An Anglo-American survey commission was dispatched to British Guiana in February 1939. British Ministers placed much hope on this territory as a place of asylum for refugees, but, as we shall see, nothing came of this either.

The only place in the world where no visa was required was Shanghai and refugees poured into the Chinese port, many of them destitute after having parted with their last possessions to secure a passage. The British

Consul there implored the Foreign Office to find funds and territories for these paupers, whose influx threatened the entire European position in the city, but the Foreign Office felt it could do nothing beyond officially deprecating the use of British ships. The passport officer in Berlin wrote on this subject on 17 January 1939:-

" We in this Office have warned Jews ... of the danger of proceeding to Shanghai ... they say that Shanghai under any conditions is infinitely better than a concentration camp in Germany. It is useless of talk to the German Government whose declared object is to destroy these people body and soul. It makes little difference to them whether destruction takes place in Germany or in Shanghai ... it might be considered humane on our part not to interfere officially to prevent Jews from choosing their own graveyard. They would rather die as free men in Shanghai than as slaves in Dachau." 75)

The bankruptcy of western civilisation implicit in these words was underlined by the use of the British Navy in preventing men, women and children, - after sea journeys undertaken in appalling condition, - from saving their lives by immigration into Palestine. Confronted with the rejection of their requests for an increase in legal immigration and faced with a catastrophic situation in Europe - and the closed door policy of most countries of the world-, the Jewish community in Palestine proceeded to organise illegal immigration on a large scale as the only means of saving their friends and relations. The German authorities assisted this enterprise, as it had the double advantage from their point of view of getting Jews out of Germany and embarrassing the British Authorities.

In London, a Round Table Conference on Palestine met through February and March 1939. The diametrically opposed Jewish and Arab cases were incapable of being reconciled by compromise. Further discussion simply resulted in deadlock. The proposals of the British Government were rejected by both sides and the conference ended on 17 March 1939

" in an atmosphere of unrelieved bitterness on both sides and in the knowledge that the British Government would now impose its own solution." 76)

At the Home Office, the backlog of visa applications mounted relentlessly and the situation began to impose severe strains on the domestic situation, with serious political repercussions. Ministers and the Home Office were subjected to pressures to speed up the procedures in and outside Parliament and by the Press. On 18 January 1939, the Cabinet appointed a Committee on Refugees to keep the situation under review. In February, the refugee organisations, which had been scattered over 20 addresses in London, joined together to purchase a former Hotel in Bloomsbury which, as Bloomsbury

House, became the headquarters for most refugee work for several years to come. The re-organisation of the Co-ordinating Committee under the Chairmanship of Lord Hailey led to some progress in co-ordinating case work, but, no matter how hard the voluntary organisations worked, the "creaking machinery of guarantees, permits, visas and transport ⁷⁷⁾ was crushed by numbers.

On the other hand, the Aliens Department of the Home Office observed with disquiet, that the admission of refugees excited the anxiety of sections of the public which looked to the Government for protection. As refugees were assisted by private organisations to find jobs and emigration opportunities not often available to British subjects, resentment inevitably grew and this was fanned by Fascist and extreme right wing political groups. The refugee organisations themselves were increasingly concerned over the growing feeling against their clients and they did what they could to ensure that refugees would blend quietly into the scene.

But there were champions for public sympathy for refugees, too. Apart from the Manchester Guardian, there were the traditional liberals in Parliament, like Josiah Wedgwood and Eleanor D. Rathbone, the anti-German Conservatives, who, in Parliament, included Leo Amery, Viscount Cecil and Harold MacMillan. The more conservative critics of the Government

" saw the refugees as living proof of the folly of appeasement and attacked vigorously the Government's reluctance to maintain with sufficient generosity an older tradition of British hospitality for political refugees." ⁷⁸⁾

In the Civil Service, there was Sir Robert Vansittart of the Foreign Office, who was almost alone in that Department to make his dislike of the Nazis public, and from an early stage onward. Some members of the Labour Party, who were in touch with opponents of the Nazi regime were naturally sympathetic to refugees, and so were members of the press corps, particularly G.E.R. Gedye, who had observed at first hand the brutalities of Nazi rule in Austria.

Nevertheless, the Home Secretary felt that the Government should explain and defend its refugee policy, limited as it was in relation to the immediate need; Lord Winterton was charged with assisting the Home Secretary in a public relations exercise, which was to stress the benefits which refugees had brought to Britain. We shall have reason to refer to this again later.

March - September 1939

On 15 March, German troops marched into Prague and the Gestapo

established itself throughout what had been Bohemia and Moravia. Refugees of all categories were in grave and imminent danger. The members of the local Refugee Committee in Prague were arrested and their papers seized. Frontiers were sealed and emigration came to a temporary halt. A few prominent refugees found asylum in foreign legations, including the British legation. Thousands went underground or streamed towards the Polish frontier. The Poles took stringent steps to prevent Jewish refugees from entering Poland, but, with the Gestapo at their heels, refugees kept arriving whatever the obstacles.

By 17 March, Britain had adopted a complete change of policy and warned the Germans that it would resist any further territorial ambitions in Europe and at the end of March, Britain and France guaranteed the independence of Poland.

Government Departments were meantime deluged by letters, telegrams and deputations all pleading in the most urgent terms for diplomatic intervention to prevent refugees from being arrested or turned back at the Polish frontier and to provide transport and other means of rescuing those in greatest danger. ⁷⁹⁾ But Gestapo arrests continued and the Poles sent back Jewish refugees. The exit visas imposed by the Germans enabled only a small number of people to get out legally after April 1939, when emigration was again permitted.

Miss Rathbone MP, who had consistently warned of the fate of Czechoslovakia, bitterly attacked the Foreign Office and the British Passport Officer in Prague. In a letter to the Manchester Guardian of 6 April, she castigated the Government in the strongest terms on its refugee policy and demanded that the unexpended part of the grants and loans to Czechoslovakia be used for the benefit of refugees from that country. A leader writer of The Times privately wrote to Lord Winterton on 24 March reporting that all members of his Staff were subjected to desperate appeals on behalf of refugees and that allegations of red tape on the part of the Home Office were too numerous to be overlooked. ⁸⁰⁾

The Home Office rejected the criticism and claimed that the chief delay in extracting refugees from the Reich arose from the difficulties made by German Tax offices, the Police, Municipal, Nazi Party and other authorities, and that further delays were caused by the extreme financial stringency of the voluntary organisations, who were now at the end of their resources. ⁸¹⁾

In fact, between May 1938 and May 1939, the Home Office had issued about 50,000 more visas than had been used (i.e. more than twice the number actually used). It is not clear why this situation arose, but it

is likely that the vast majority of the visas had been issued in the previous 6 months or so and the delay in their use was caused by the German authorities. Some refugees undoubtedly used British visas in order to get permission to settle in other countries.

In a Debate in the Commons on 6 April, several speakers attacked the Government for insufficient attention to the time factor. While settlement possibilities were laboriously investigated, Col. Wedgwood MP decried all "dreams of colonisation" except in Palestine and urged in strong terms that the only way to prevent the expulsion of Jews from Eastern Europe was to put pressure on the Polish and Rumanian Governments in return for British guarantees and military assistance. 82)

Lord Winterton replied that not one of the 32 countries represented on the Inter-Governmental Committee on Refugees admitted any moral obligation to solve the refugee problem or any financial liability for transfer and upkeep. He followed this by a lengthy response about what Britain had done already and by British attempts to speed up overseas settlement schemes.

Lord Winterton made these remarks in the knowledge of an increasingly strident and heartless campaign by the Poles to press what they called "their own Jewish problem". The Polish Ambassador in London had threatened some months before that

" if nothing was done for the Polish Jews, the Polish Government would inevitably be forced to adopt the same measures as the German Government and, indeed, draw closer to that Government in its general policy." 83)

The British Government promised support for one of the Polish claims, that the Polish Jews expelled from Germany - and still rotting at the borders - should come under the aegis of the Inter-Governmental Committee. The proposal was reluctantly agreed by the IGC at its meeting in London on 19 July 1939.

King Carol of Rumania thought it should not be too difficult for the Evian Powers to find a small territory in which Jews could exercise territorial power and which could absorb 200,000 Rumanian Jews!

The Anglo-American Commission on Guiana reported on 29 April 1939, after carrying out extensive surveys, and concluded that a trial settlement of 3 - 5,000 people should be established to test whether Europeans could adapt to the difficult climatic conditions in the interior of a country without communications except for rivers. The report was seen by the British Government as a possible sweetener for the bitter pill it was about to administer in the form of a White Paper on Palestine. The Cabinet was in agreement on the need to publish the Guiana Report a day or two before the

White Paper.

Accordingly, the Guiana Report was published on 10 May 1939. It was received without enthusiasm either by the refugee organisations or by the Press. A.J. Schwelm, an expert on colonisation, published a letter in The Times on 20 May in which he gave his reasons why the settlement of Europeans in British Guiana was impractical and doomed to failure.

Discussions on the physical and financial difficulties of the proposed trial settlement dragged on between London, New York and Georgetown, until the War put an end to further speculation on British Guiana as a refugee haven.

As the Cabinet had assumed, the White Paper on Palestine, published on 12 May 1939, was acceptable neither to the Jews nor the Arabs. It proposed that after a 5 year period, during which a total of 75,000 more Jewish immigrants were to be admitted, all Jewish immigration was to stop. The Jews rejected the White Paper in toto as a breach of faith and an abject capitulation to Arab terrorism. Dr. Weizmann, the Zionist leader, in a private exchange, accused the Colonial Secretary of handing the Jews over to their assassins. Mr. MacDonald angrily rejected the accusation at the time, but it is noteworthy that in a Television interview in the Spring of 1977, he admitted to a deep sense of regret.

The bitterness of the anti-British reaction was strongest within the Palestine Jewish community, which saw the White Paper as a rejection of their hopes for a National Home and a calamitous slamming of the door in the face of thousands of refugees and potential refugees whose only hope of asylum now lay in Palestine ⁸⁴⁾, and it began to see the need for organising the landing of persecuted fellow-Jews by any means as a moral imperative.

The policy reflected in the White Paper was to secure Arab and Moslem support for Britain in the event of War. The policy represented

" a compulsive gesture of self-preservation to secure Britain's strategic position in the Middle East." ⁸⁵⁾

In the event, the policy almost certainly failed. Arab support eroded in the face of increasing illegal Jewish immigration, particularly because Nazi propaganda in the Middle East accused Britain of connivance. On 7 July 1939, the Foreign Office expressed its grave concern at

" the disastrous effect of the continuance of illegal immigration into Palestine"

on the entire British position in the Middle East. ⁸⁶⁾

The policy alienated the Jewish community in Palestine, as well as large sections of influential American public opinion. The Permanent Mandates Commission of the League of Nations condemned it as a violation of

the Mandate. 87)

The measures taken at every point along the route to Palestine in order to stop illegal immigration became harsher. The forcible re-embarkment of men, women and children who had managed to land after great privations at sea, caused storms of protest, demonstrations and riots in Palestine. Attempts by the British Authorities to send back to their ports of embarkation shiploads of refugees failed repeatedly because the Governments concerned refused to accept them. British diplomats who had an opportunity to see the conditions of the refugees at the points of embarkation in Europe were horrified. For example, the British Consul General in Galatz, Rumania, wrote:-

" The trade is, in fact, one of the most brutal that has been devised since the abolition of the slave trade ... The unfortunate victims, fleeced already of a large part of their fortunes, are herded on board of old condemned ships and finally brought to the shores of Palestine in such a state of distress that it is believed that the humanity of the British authorities will not be able to refuse to accept them." 88)

Humanity seemed, however, to have deserted the British authorities at the time and the Press and Parliament proceeded to embarrass the Government.

In the adjournment debate on 5 June in the Commons, Col. Josiah C. Wedgwood condemned in the strongest language the use of the Royal Navy to turn back vessels, some of which had been at sea for up to 3 months and protested that

" conduct worthy of Hitler, worthy of the Middle Ages, cannot be carried on by the British in 1939." 89)

The desperate cat and mouse game between refugees marooned at high seas and the British Navy, and the searches and arrests of refugees who had managed to land in Palestine by the British Army was to continue unabated during the Summer of 1939 until the invasion of Poland by the Germans and the sealing of the borders of many countries in Eastern Europe put an end to the last hopes of vast numbers.

But the summer of 1939 was to see yet another reversal of British policy. It had become clear that the voluntary organisations could no longer carry the financial burden of dealing with the increasing numbers who were admitted.

It had become obvious that some sort of financial assistance had now become indispensable. In early June, Sir Herbert Emerson, the League High Commissioner, who also acted as Director of the IGC since the retirement of Mr. George Rublee, proposed that the Evian governments should join in subscribing to an international fund, in proportion to private contributions,

the proceeds of which would be used for the settlement and maintenance of refugees. At the same time, Mr. Lionel de Rothchild put forward a not dissimilar plan. These plans met with the approval of the Home and Foreign Offices, on condition that other Governments would join in. At a meeting of the Cabinet on 3 July, it was recommended that the British Government, jointly with other Governments, would provide a pound-for-pound matching scheme to provide financial assistance for refugees. 90) In advance of the Cabinet meeting, Sir Samuel Hoare had summarised the reasons now requiring a policy which had been so firmly maintained up to then: Some 40,000 refugees in Britain, the majority of whom were trans-migrants, were supported by organisations whose funds had been "strained to the utmost." The voluntary organisations were now unable to provide for the re-emigration of all refugees for whom they had given guarantees, mainly because such emigration had been delayed through no fault of the organisations, and so on. Ultimately, however, the case for financial assistance by the Government rested on the stark fact that, without it, there would be breakdown. 91)

As the War clouds gathered in the summer of 1939, the refugee problem " had clearly outstripped any private, national or international efforts to reach a solution." 92)

The refugee organisations had to decide in August to limit all further applications for admission, fearing that in the event of War, they would be financially responsible for a large number of unemployable refugees.

At the outbreak of the War on 3 September 1939, all visas granted to Reich nationals ceased to be valid and only those refugees who had already reached neutral or allied countries were admitted, after a specially instituted security clearance had been obtained. As for the rest, the trap had closed on them and the world left them to a dreadful fate.

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89. H.C. Deb. 348, 171 - 178
90. Randall, Minute, 30 June 1939, FO/371/24077, W 10160/45/48
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CHAPTER 5 : THE BEGINNING OF REFUGEE INDUSTRIES

Policy towards Refugee Industrialists

We have seen that for domestic and external reasons, British policy towards refugees was narrowly circumscribed at least until November 1938. Influential opinion in Parliament, in the Press and among the Public simply did not favour an open door, however desperate the need, and the Government did not wish to take any action which might have appeared to increase unemployment, however little, in a climate where the causal relationship with immigration, however unreasonable, was widely assumed to exist.

This left one area where the Government could act relatively freely: The admission of refugee industrialists and export traders. Such action was not only in line with one of the principles laid down in the early days of Nazi rule - that Britain should obtain the maximum benefit from the admission of refugees -, it had also a number of political and practical advantages: The Government would be seen to act positively at least in this area of the refugee problem; the numbers would be relatively small; some capital would be brought into the country, if not by the refugees themselves, then by their friends or relations abroad; exports would be increased and unemployment reduced and this, in turn, would enable the Government to open the doors a little more widely to other refugees, because some sort of equation could be made between the numbers admitted and the amount of new employment created. This would satisfy all but the most diehard anti-alien and antisemitic opinion in the country.

This kind of arithmetic was indeed used when the Government was under great pressure to do more for refugees, particularly following the events in the Reich on and after 9 November 1938. Up to then, no more than 11,000 refugees had been admitted since 1933. ¹⁾ The number of new ventures established by refugee industrialists was about 250 and they were clearly in an early stage of development. Yet the Home Secretary was able to announce on 1 December 1938, that 15,000 jobs had been created by these refugees. ²⁾ Sir John Hope Simpson had put the number at 25,000 a few weeks earlier. ³⁾ The discrepancy between the two figures may have been due to the fact that official employment statistics in Britain ignored factories employing fewer than 25 people and this was to make all early information on refugee industries somewhat unreliable. But whichever were the more correct, the figures supported those working for a more generous refugee policy.

Support for the idea that refugees were good for employment came from other sources. For example, a London firm of solicitors who had handled the applications for admission of 3,000 refugees (inc. families) was able

to calculate, according to The Spectator of 20 January 1939, that

" at a low estimate, each of these entrants have given employment to an average of no less than 3 British subjects."

The Government had already indicated at an early stage in the development of the refugee problem that the door was wide open to anyone wishing to set up a factory in Britain, particularly in areas of high unemployment. In the debate on the 1st Report of the Commissioners for the Special Areas in the House of Lords on 31 July 1935, The Marquis of Londonderry, for the Government, said:-

" I have no reason to believe that any obstacle will be placed in the way of any individual, if he is likely to be of credit and assistance to this country, who may wish to introduce an industry into this country and give employment to men who are now unemployed." 4)

Industries were established by refugees from the beginning of Nazi rule, particularly in the London area. A few of these found their way to the North later, both before and after the War. The numbers were small in the early years but the tempo increased sharply after 1937. In a memorandum to the Foreign Office, intended for transmission to the Inter-Governmental Committee on Refugees, the Home Office reported on 9 September 1938 that

" 185 factories had been established by aliens - mainly refugees - between April 1935 and July 1938." 5)

By February 1939, the Home Secretary was able to quote a figure of 300. 6) We have been unable to find any later figures for the period up to the War in September 1939, but we believe that the number of factories started by refugees increased sharply during that time, if only because the majority of refugees entered Britain in that period. Many of the firms in the North East were set up only in 1939. In West Cumberland, only 3 refugee factories were in operation by the end of 1938, so that the majority of the pre-War ventures were set up in 1939.

In addition to manufacturers, a number of refugee merchants and specialised traders transferred export businesses to Britain, mainly to London. For example, Leipzig declined as an international fur market because refugees started at least 80 new firms in the fur trade in London. 7)

Refugees also brought with them a practical knowledge in a number of other trades and, having moved their businesses to Britain,

" bought British instead of foreign goods for exports to their customers." 8)

The term 'refugee' was rarely used in official language in the early years. Refugee industrialists were simply aliens setting up factories and intending to reside in Britain. It was their need to reside here permanently

which brought the admission procedures into action, not the fact that they were setting up factories, although the procedures were increasingly used, as we shall see, to influence both their location and, indeed, the kind of industries which were set up.

Here we must highlight the difference between a foreign company wishing to set up a subsidiary factory in Britain and a refugee coming here to do the same thing: In his evidence to the Barlow Commission, Mr. W. Palmer of the Board of Trade confirmed, that no leave of any kind was required if a foreign company wished to set up a factory in Britain. Furthermore, - and this is of interest in relation to the pressure which was to be exerted on refugees -, such foreign firms could set up, like British firms, where they pleased, as there did not exist any policy on the location of industry.

9)

Foreign staffs and key workers of such firms required permits from the Home Office for stays in Britain which were longer than extended visits and work permits from the Ministry of Labour. If they were nationals of countries to which they could return at any time, such permits were generally granted as a matter of course, particularly if numbers of British workers would be employed as a result of the establishment of a factory by a foreign firm.

Some of these foreign firms established factories in Britain because they were forced to do so - if they wanted access to the British market - by the tariff policy of the Board of Trade. There were cases where the Board was not happy about the establishment of such factories, but it could do little about them.

Refugees could not, by definition, return to their countries of origin in the foreseeable future and it was this fact which made the Home Office consider whether and how far such refugees could be persuaded to contribute to the solution of the problems of the Special Areas and of other areas of high unemployment. The Department was aware of the almost complete failure of the efforts of the Commissioner for the Special Areas of England and Wales in the summer of 1935 to persuade British firms to move into the Areas and of his interest in securing new industries from anywhere, particularly after the construction of Trading Estates in the Special Areas had been authorised in November 1935.

It is understandable, therefore, that the Home Office considered how the need of people to get out of Germany could be turned to the advantage of the Areas.

Our interviews with refugee industrialists who came to the North before the War indicated that most of them were under the definite impres-

sion that their admission to this country was conditional on their agreement to start their factories in one of the Special Areas. Where the founders had already died, their widows or families gave us exactly the same impression. Since we did not believe that the Home Office had powers to make such a condition under any Aliens Order, we investigated in some detail whether it was ever made and, if not, how the impression that it existed was communicated to refugees.

Early in 1936, the Home Office began discussions with the Ministry of Labour and the Board of Trade on a new procedure to deal with applications by foreign industrialists, that is to say, mainly by refugees, wishing to set up manufacturing enterprises in Britain. The procedure was to include, for the first time, the Commissioners for the Special Areas. These discussions, - and the procedures which were arrived at -, go far to explain the impression created among most refugees that their admission was conditional on their willingness to set up their factories in one of the Special Areas.

The Commissioner for England and Wales made his first reference to foreigners in his 2nd Report of February 1936. Although loosely referring to 'foreign firms', he was clearly writing about firms or people who had to get out of Germany:-

" Owing to ... unsettled conditions in certain countries abroad, it came to my notice that a number of foreign firms were considering the establishment of industries in this country. I have ... been in touch with representatives of some of these firms with a view to exercising persuasion on behalf of the Special Areas, and, though no definite result has yet accrued, I am hopeful of success in more than one instance." 10)

On 11 March 1936, the Ministry of Labour wrote to the Aliens Branch of the Home Office. The letter referred to the 2nd Report of the Commissioner for England and Wales and, in particular to his intention to 'exercise persuasion' on refugees to move into one of the Special Areas. It also referred to the general debate about the need for some form of control over the location of industry with a view to assisting the Special Areas and, in particular, to the remarks made by the Minister of Labour on 2 March 1936 to the effect that

" the Government was doing all it could to induce industry to move to the Special Areas." 11)

The letter suggested that the needs of public policy were sufficient

" to justify any steps that may be practicable to induce foreign firms to establish themselves in areas of high unemployment ...

It is recognised that there might be objections to pressing the statutory powers of the Aliens Orders to the length of refusing permission to a foreigner to establish

himself in the UK solely on account of the proposed situation of his factory, but there seems no good reason why advantage should not be taken of these powers to persuade employers in the desired direction.

Our suggestion is that in response to any enquiry on the part of a foreigner as to permission to come here and set up a factory, the earliest opportunity should be taken of raising doubt whether permission will be given, if the foreigner proposes to establish his factory in London or the Home Counties ...

Action on these lines, at any rate in the early stages, would not commit the Secretary of State in any way. There may be a few cases in which the employer ... refuses to accept the advice given ... and it may be that in such an event you might not be able to withhold the grant of permission. The probability is, however, that the general policy will become known and foreigners will be induced to act accordingly, without any pressure or persuasion." 12)

This was, by any standards, an extraordinary letter: It proposed that a Government Department - the Home Office - should pretend to powers it did not possess; that the pretence should stop short of embarrassing the Minister responsible; that few foreigners would dare to call the bluff, but if they did, the Home Office would have to give way!

The idea was not entirely new: Lord Portal, in his maiden speech in the House of Lords on 31 July 1935, had suggested something similar, (see pages 61 and 62). 13)

On the day after this letter was written, the House of Commons passed a resolution to the effect that

" H.M. Government should endeavour to discourage the undue concentration of modern industries in the Southern Counties and to encourage new industries, where practicable, to establish themselves in the older centres." 14)

In an internal memorandum of the following day, the Home Office referred to this resolution, which, it believed,

" must necessarily give impetus to the tentative steps which have already been taken ... to persuade foreign manufacturers and industrialists, who wish to establish themselves in this country, to place their works in those parts of the UK where there is considerable unemployment. In a proportion of cases it should be possible to bring definite pressure to bear upon foreign applicants ... It would be necessary ... to warn applicants, ab initio, that having regard to the present policy of H.M. Government, it might not be possible to agree to establishing his business in London or other areas proposed by him." 15)

If the Home Office misinterpreted the policy of the Government, this was largely due to a dichotomy in Government thinking:

On the one hand, Ministers were saying that the Government was doing

all it could to secure new industries for the Special Areas. On the other, it was not committed to a policy of location of industry. During the debate on this subject on 12 March 1936, Dr. Burgin, Parliamentary Secretary, Board of Trade, made clear the Government's position:-

" ... If the Hon. Member means that the Government should take powers by statute to prohibit an individual from starting a factory where he wishes in order to compel him to go to some place where he does not wish to go, I fear that this is not a proposition which I could recommend to the House." 16)

The Home Office officially replied to the letter from the Ministry of Labour on 31 March 1936:-

" ... in view of the debate which took place in the House of Commons on 12 March regarding the location of industry,... it seems clearly desirable that definite steps should be taken to persuade foreign firms contemplating the erection of new factories ... in this country, to place their factories in the Special Areas of England, Wales and Scotland, or in other parts of the country where there is serious unemployment.

Regards must, of course, be paid inter alia to the kind of goods which it is proposed to manufacture, to there being local labour available and to the necessity of being in proximity of sources of raw material or marketing facilities, including exports." 17)

While the attitude of the Home Office was a little more flexible than that evidenced by the Ministry of Labour, it was hardly in line with the remarks of Dr. Burgin on 12 March 1936.

It was left to the Board of Trade to put some realism into these discussions. On 15 April 1936, the Board wrote to the Home Office:-

" You wrote to me officially on 31 March, enclosing copy of correspondence with the Ministry of Labour regarding applications by aliens to be allowed to establish businesses in the UK. We agree, of course, that peaceful persuasion should be used to induce aliens starting a business in this country to one of the older industrial areas...

At the same time, peaceful persuasion cannot be carried too far, because, as you know, the Government are not committed to a policy of locating industry. This was made quite clear by Dr. Burgin on the Debate on 12 March and we are doubtful whether we have reached a stage where an alien wishing to start a business can only be admitted if he agrees to one of certain particular areas. This seems to us, however, to be the implication of the new letter which you are sending out to aliens.

A further consideration is that if we do our utmost to force aliens into particular areas to the extent of denying them admittance unless they go there, I think it will be exceedingly difficult, if this policy became known, for the Government to refuse to take similar steps in respect of British industrialists.

I may add, that we feel Besso (Min. of Labour) is a little optimistic as to the results of the proposed changes in procedure. Our experience has been that in the great majority of

cases, the foreign applicants have a very strong preference (generally based on grounds which on the whole are not unreasonable) for the Greater London Area and it is not unusual for them to intimate that their projects will be abandoned if they are unable to go there. There may be a certain amount of bluff in this, but you will remember that we induced a number of clothing firms to go to Manchester and we have since heard that one or two have migrated to London..." 18)

Then followed some suggestions on the new procedure, the most interesting of which was that the Ministry of Labour might insist that applicants had at least thoroughly explored the possibility of location in the older areas. This was, however, a far cry from forcing them to go there.

The final outcome was a compromise. A letter to applicants was agreed by the Departments concerned in June 1936, which included the following:-

" ... I am directed by the Secretary of State to call your attention to the resolution of the House of Commons of the 12 March 1936 that the Government should endeavour, etc. etc ... and to say that the question of the locality in which it is proposed to establish the enterprise will be considered, among other matters, in consultation with the Ministry of Labour and the Board of Trade on receipt of the completed form." (Copy of a letter and questionnaire is reprinted in Appendix 15)

The Commissioner for the Special Areas of England and Wales was apparently still under the impression that this letter implied a firm line. On 11 June 1936 he wrote to the Home Office and, after acknowledging the letter regarding the procedure to be followed in the case of applications by foreigners wishing to establish industrial enterprises in this country, he wrote:-

" It would also be useful if we could be notified of any cases in which permission is granted conditional upon a factory being established in a Special Area." 19)

The Home Office corrected the impression that any such condition existed at once. On 16 June 1936 it wrote to the Commissioner:-

" It is unlikely that we would make it a definite stipulation that a foreigner who was desirous of establishing himself in this country for the purpose of commencing manufacture here could only do so if he placed his factory in any particular area, but no doubt, as time goes on, it will be recognised that permission to make a start in this country is granted more readily if the applicant makes it clear that he is prepared to set up in a Special Area or in a part away from London and the Home Counties." 20)

This, then was the policy: There was no actual condition as to location - no doubt a matter of disappointment to the Commissioner who

had to rely almost entirely on new ventures to fill the Trading Estate factories which were being built that year in the North East -, but refugees were going to be advised that it would be easier to be admitted into Britain if they went to the older areas.

Extensive efforts by the Records Department of the Home Office in February 1976 failed to find any papers relating to policy on the admission of refugee industrialists after June 1936. This may well mean that the policy and the procedures were not changed at a later date.

There is a definite confirmation for the view that location was not made a condition later on : We have referred in chapter 4 to the need felt by the Government to defend its refugee policy to hostile sections of the public by stressing the benefits which the policy had brought to the country. In February 1939, the Home Office was asked to prepare a brief for Lord Winterton, the Chancellor of the Duchy of Lancaster, who assisted the Home Secretary in this exercise. The brief contained the following:-

" During the past 2 years, foreigners applying to the Home Office to be allowed to establish themselves in new businesses in this country have had their attention drawn to the two resolutions of the House of Commons of 12 March and 18 November 1936. A very considerable measure of success has attended the follow-up which has been developed by the Home Office, the Ministry of Labour and the Commissioners for the Special Areas ... A large proportion of the new industries has been settled in the Special Areas and the older industrial areas of the country." 21)

From this, we may conclude that some refugee industries were able to establish themselves outside the Special Areas and that there had been no change in policy since June 1936, at least not until February 1939. Indeed, there is some evidence that, with the more ready admission of refugees in the spring and summer of 1939, the proportion of refugee industries in the Special Areas declined, indicating that the pressure on refugees to go to the Areas lessened.

How did refugees react to this policy and why were those we have interviewed, in most cases, under the impression that their location was a condition of their admission?

The early arrivals, those who came until 1937 - of which only one or two had made arrangements to come to the North but had not actually arrived, so far as we have been able to establish -, had a number of advantages:

The situation in Germany was not yet as desperate as it was to become later. They were still able to travel abroad and some of them paid one or more visits to Britain in order to prepare their move. Most important of all, they were still able to transfer at least a part of their assets and this gave them a certain strength in their negotiations with the authorities

when discussing location, particularly as there were no factories available yet to rent on Trading Estates in the Special Areas.

By the time the majority of refugee industrialists were seeking admission, the situation had changed dramatically. Many of them belonged to prominent families who felt relatively secure - however illusory such feelings were - and, therefore, they left the decision to get out of Germany until it was almost too late. By the time they did - and this applied to Austrians and Czechs from the moment the Germans marched in -, they knew they were fleeing for their lives. For those who had delayed applying for permission to come to Britain until the spring of 1938 or even later, all that mattered was to get out. Consular officers, no doubt, explained to them that permission to settle in a Special Area would be granted much more quickly than for any other area of Britain. Given the circumstances, it was not surprising that the threatened people felt that their admission was conditional and the letter of permission (Appendix 16) helped to strengthen that impression. This letter always specified where any factory was to be set up and in the cases we have studied - so far as letters of permission were still available - it obviously always referred to a location in a Special Area of the North.

The forecast made by Lord Portal in the House of Lords on 31 July 1935 had come largely true, although for reasons he could not have fully anticipated:-

" Your Lordships may be perfectly certain that if a foreigner wants to come and produce in this country, he will produce practically wherever you put him." 22)

For refugees, the advantages of the Areas were real enough. Few of them had more capital than they could discreetly take out of Germany in the course of a few export trips in the past, or borrow from friends or relations abroad.

The availability of factories for rent would have been, for most of them, a deciding factor. Although such factories were available in the London Area and elsewhere outside the Special Areas, there were no initial rent concessions, and the cost of living was higher. In addition, there was a certain amount of financial assistance in the Areas, even if, in the event, only a few firms received any such help.

On the other hand, markets were generally remote from the Areas, but refugees were not in a position to select ideal locations for their factories.

The procedure instituted in June 1936 achieved a limited success in the following 18 months. A number of enterprises were established by refugees in the older areas, including a few in the Special Areas ²³⁾, but we have not come across any in the North before the middle of 1937.

The procedure became much more effective when factories became available on Trading Estates and elsewhere in the Areas from the autumn of 1937 onwards, at least in the North East. But by then, other factors began to play a part in achieving success.

Under the procedure worked out in June 1936, the Ministry of Labour, apart from advising on general labour matters, was responsible for drawing the attention of foreign industrialists to the desirability of placing their factories in the older industrial areas. The Board of Trade advised on the suitability of the proposed venture and, in particular, whether there was room for an additional producer of the particular kind.

If the advice of the Board of Trade was negative, the Home Office had no alternative but to refuse the application. Because of the duties placed on it by the Aliens Orders, it was impossible for the Department to indicate to a foreign industrialist in what direction he might more usefully find an opening for the employment of his capital and experience.

After the start of the construction of the first Trading Estates in November 1936, the Home Office began to consider, how the limitations imposed on it by its remit might be overcome and how a further strengthening of its co-operation with the Commissioners for the Special Areas might result in benefits to the Special Areas.

On 13 February 1937, the Home Office wrote to the Commissioner for the Special Areas of England and Wales :-

" ... It has occurred to us that the Commissioners ... might be in a position to inform foreign industrialists, who have no definite plans, of the more desirable form of activity which might be followed in the Areas, having regard, of course, to the previous experience of the foreign persons concerned and to the amount of capital available." 24)

The reference to "foreign industrialists who have no definite plans" indicates that the Home Office was thinking about potential refugees, that is, about people who had to get out of Germany. The idea that refugees might play a part in the solution of the problems of the Special Areas had clearly taken hold of Home Office thinking, because the letter continued, even more constructively:-

" Further, it is suggested that if the foreigner is not in possession of sufficient capital to finance the enterprise suggested to him by the Commissioner, or, as frequently happens in the case of Germans, is unable to realise his capital immediately from abroad, the Special Areas Reconstruction Association or the Nuffield Trust might be prepared to assist him, if he were able to satisfy them that his proposals were industrially sound and that he had the necessary experience and enterprise to carry out his proposals."

Here the Home Office was clearly referring to German refugees, actual or potential. So keen was it to put suitable refugees to work in the Special Areas that even a lack of capital was not necessarily to be a bar to admission.

It is evident that refugees were beginning to be seen to present opportunities, as well as problems. While up to then the Home Office merely responded to applications by refugee industrialists for admission, such applications were now to be encouraged, if it was to the benefit of the Special Areas. Furthermore, if the application was, for any reason, not suitable or if there were problems with capital, there was now the will to overcome these difficulties, if the refugee was considered suitable.

The Home Office realised that it needed the assistance of the Commissioners to make this new approach a success and to ensure that it could more readily admit refugee industrialists or extend the short-stay permits of those who had already arrived but had not yet started any factories.

The letter from the Home Office to the Commissioner concluded:-

" Our experience during the past four years is that the present practice of the Home Office in dealing with applications made to us ... by foreign manufacturers is inevitably negative in character, because we are not in a position to offer positive advice and vexatious delays are bound to result when we are not in a position to agree to the proposition before us. If we were in a position to place applicants in direct communication with a body which is able to offer advice and, where deemed proper, assistance, this might lead to the establishment of useful industries in areas where they are badly needed."

Perhaps the Home Office was glad that, with the availability of factories to rent and with the further inducements which were to become available after the passing of the Special Areas (Amendment) Act in May 1937, it had to rely no longer only on pressure alone but could point to the real advantages of the Areas.

The Commissioner for England and Wales (Sir George Gillett having been appointed on the retirement of Sir Malcolm Stewart), referred to the new procedure in his 4th Report of September 1937:-

" I now receive from the Home Office a copy of the questionnaire which has been completed by the alien who desires to establish a manufacturing business in this country. On receipt of this, the position is discussed with the Ministry of Labour and a decision is reached whether the case is one in which the effort should be made to establish the undertaking in one or other of the Special Areas. The general merit of the case is then discussed with the Board of Trade. In suitable cases, arrangements are made for the alien to be interviewed by one of the Industrial Officers (attached to the Commissioner's District Offices)

who presents the claim of the Areas and explains the assistance available." 25)

It is not clear, how far the Commissioner's officers were able to have direct contact with prospective refugee settlers in the Areas, as was the intention. Up to the late summer of 1938, some Jewish Germans who were engaged in the export trade were still able to travel abroad. A few of them visited Britain and on such occasions they had discussions with the local Development Organisations, the Trading Estates Companies and, perhaps, with the Commissioner's officers. We have met only a few - so far as they were still alive and could recall the situation - who have had such contacts.

Any arrangements made had, in any case, to be confidential. The Nazi authorities were doing all they could to stop businesses from moving abroad, to prevent 'Industrierverschleppung'. This was particularly true of businesses with export connections. Any prospective emigrant had to give an indication of the kind of job he was taking in the foreign country before receiving permission to leave. The German authorities knew very well, however, that anyone coming to Britain was only in exceptional circumstances permitted to accept a job, yet they seem to have acquiesced in the proceedings. Nevertheless, contacts with British Consular Officials and visitors from the Special Areas had to be circumspect. Mail containing any reference to the intention of setting up a factory in Britain and application papers relating to such ventures were often transmitted by the Consular Offices through the Diplomatic Bag.

A particularly delicate question related to capital. Intending refugee industrialists had to show that they had the minimum means available in Britain to set up factories. At the same time, transfer of funds after 1937 was impossible and the penalties for illegal transfer were so draconian, that few people were willing to risk it. A few devised elaborate schemes to transfer funds through export transactions, but this was possible only in the smallest firms where the owners handled all the books and correspondence and where there was no danger of being given away by employees. Some people were able to show that funds were coming from friends or relations abroad. The whole problem appears to have been handled with tact and flexibility by the Consular Offices abroad and the Home Office.

After factories became available on Trading Estates and elsewhere in the Special Areas, the Commercial Counsellors in Europe and the Consular Offices assisted in finding suitable people who might set up new industries. They speeded the enquiries they were bound to make and co-operated with the officers of the Development Organisations and the sales managers of the Trading Estate Companies, who paid frequent visits to Europe between 1937

and 1939, and not only to Germany.

From the end of 1937 onwards, all Departments of State and the Special Areas organisations worked closely together to assist the transfer of refugee industrialists to the Areas.

Some of the British officials abroad were clearly much affected by the plight of the people knocking on their doors in order to get a visa for Britain, particularly after November 1938. Many of them acted well beyond the call of duty. We have been told by a number of former refugees of the kindness and helpful attitude on the part of the British Vice-Consul in Munich, Mr. F. Fulham, for example. A special role in relation to the North East was played by Mr. Thomas H. Frame, who worked in the Commercial Department of the British Embassy in Berlin. A Tynesider himself, he contacted Mr. Stanley Holmes, the Secretary of the Tyneside Industrial Development Board, in March 1938. A condensed copy of his letter is reproduced in Appendix 17. Thereafter, he was in constant contact with Mr. Holmes and it is clear that his concern for the threatened people was at least as great as his interest in helping to assist the creation of new industries on Tyneside. The correspondence, which we found in one of the remaining two files of the Tyneside Industrial Development Board (in the hands of the family of the late Mr. S. Holmes), gives a fascinating picture of the events in Germany as seen by a kindly British diplomat, who felt helpless in the face of so much evil and a little ashamed by the policies of his own Government, both in regard to Nazis and to refugees. He became personally involved with some of the people who came to him for help. He visited them in their homes, he even transferred a small amount of money for one or two. He and Mr. Holmes worked tirelessly to put together projects and capital in order to enable the British Authorities in Berlin, on the instructions of the Home Office, to give people visas to come to Britain. Mr. Holmes was so much moved by the accounts of Mr. Frame - the correspondence was carried by the Diplomatic Bag - and by the evidence of what he saw on his own visits to Germany, that he bombarded local Members of Parliament, the Home Office and sources of finance with frequent and urgent letters, and it is clear that his activities at that time were directed as much to the rescue of people as to the interests of Tyneside. Indeed, one or two people who managed to get out of Germany and to set up new industries in Britain as a result of the help given them by Mr. Frame and Mr. Holmes started up in South Wales !

The relative ease with which refugee industrialists were admitted to Britain if they could show that they were likely to be able to set up a viable manufacturing firm in one of the Special Areas, caused its own

problems for the British Authorities abroad. In a letter to Stanley Holmes of 23 November 1938, - 2 weeks after the 'Kristallnacht' -, Thomas Frame wrote:-

" The Jewish problem here is too big to be dealt with only by bringing people to British Special Areas. Only a handful of people can come on such schemes, and as at present it seems to be the only way of getting into England, hundreds of the poor people are imagining that they can manufacture something in England ..."

As we have seen, circumstances forced the Government to open the doors more widely in the months after this letter was written and in the period up to the War - just over 9 months away - 4 times as many refugees were admitted than in the previous 5½ years. Among them, there was a surprisingly large number of people who had indeed been manufacturers in their country of origin:-

" Statistics which break down by occupation the total number of 'enemy aliens' classified by tribunals (see third section of this chapter) show that one third of the men examined had been manufacturers on their own account. No less than 1,040 had been in the textile trade; 836 had been engaged in the manufacture of clothing; 225 had been concerned with the manufacture of chemicals for industry; 502 had been making leather goods ... 26)

As there were in all about 55,000 adult German and Austrian refugees in Britain at the start of the War ²⁷⁾, the number of men among them must have been between 12 and 15,000. This means that there were between 4 and 5 thousand manufacturers among them, of whom 2,603 were in the four industries given in the quotation. This number does not include refugees who were manufacturers in Poland or in Czechoslovakia, who were 'friendly aliens', - nor the Hungarians, who were neutrals, - and did not, therefore, appear before the tribunals.

We do not know how many of the German and Austrian refugees who were manufacturers in their own country were admitted with a view to setting up factories in the Special Areas, or under other categories. There were certainly a number whose admission was conditional on their settling as manufacturers in a Special Area, but who came too close to the War, when a number of factors prevented them from starting. Some had intended - indeed a few of them did actually start - to set up factories before the expected capital from friends, relations or from one of the Special Area Funds materialised.

References in the files of the Home Office, in the surviving file of the Tyneside Industrial Development Board and in the papers of the Cumberland Development Council and the West Cumberland Industrial Development Company

Ltd. indicate that there was a fairly large number of projects involving refugees which came to nothing. Some started as soon as this was possible, which, for most, meant after the War.

If, therefore, only a proportion of manufacturers among the refugees were able to establish themselves in manufacturing business in Britain, this was due to a variety of factors: Lack of capital, lack of products for which there was a market and, perhaps, lack of courage to start all over again.

The fact that there was such a high proportion of people who had been manufacturers among refugees admitted into Britain before the War must be noted. It indicates the high degree of selection forced on the Co-ordinating Committee both by the refugee policies of the British Government and by the undertaking given in 1933 that no refugee would become a charge on the public purse. Apart from those with families or friends, manufacturers and other businessmen were more likely than others to have the connections willing and able to provide the necessary financial guarantees. Sometimes, these were provided by business friends in other countries.

Meanwhile, the settlement of refugee industries in the Special Areas assumed some importance in relation to the number of firms taking factory space in Government-financed Trading Estates and other factories.

In his 5th (and last) Report of December 1938 (covering the period up to 30 September 1938), the Commissioner for the Special Areas of England and Wales reported that he had assisted 60 undertakings in the 16 months following the 1937 Amendment Act.

" Among these 60 undertakings are included 23 which are being established by aliens or in conjunction with aliens." 28)

The 60 firms included companies which were expanding. 13 were building their own factories and it is reasonable to assume that these were established British firms. If we assume, further, that the remaining 47 firms assisted by the Commissioner were new ventures and that all new ventures were assisted, it means that refugee firms represented almost half the new starts in the Special Areas of England and Wales between May 1937 and September 1938.

We know from the Home Office Memorandum to the Foreign Office 29), that the total number of refugee firms established between April 1935 and July 1938 was 187. Since we believe that by August 1939 the number had increased to about 500, of which at least 300 were in the Special Areas, we have further proof that the main settlement of pre-War refugee ventures occurred during the last 13 months or so before the War, or even over a shorter period.

Arrival and Early Problems

The first refugee industries we have been able to locate in the North arrived in 1937. They were atypical and went to - then - atypical places.

The founders of Thomas Mouget (see case history no. 26) arrived in Middlesbrough before it was part of the Special Areas. The founder of the West Coast Chrome Tanning Company (see case history no. 53) came from Hungary and decided to settle at Millom in West Cumberland, although no factory was yet available there. On Tyneside, the first arrival was Great Northern Knitwear in February 1938 (see case history no. 15). The first two refugee firms in South West Durham started in the second half of 1938, at St. Helen's Auckland, where a small Trading Estate was being built.

The majority of refugee firms set up in Government-financed factories, either on Trading Estates or in those built by the Commissioner on smaller or single sites.

With one or two exceptions, the refugees had little capital at their disposal. Most of this was needed - and then it was usually too little - for plant and machinery and for working capital for their new ventures. There was not much left to live on and all of them depended on getting their factories off the ground as quickly as possible. Most of them bought second-hand machinery and improvised as best they could.

A few seem to have found financial backing from local people or firms. Some of the financiers were looking for new ideas and the refugees provided them. The fact they they came from Germany, Austria, Czechoslovakia or Hungary helped, because these countries were generally considered to be 'clever'. So far as we have been able to ascertain, it was always the arrival of the refugee which sparked off the new venture. We have not come across any cases where local interests were looking for a particular idea and then backed the man who had the know-how.

Most of the refugees who came before the War were able to bring at least some of their household effects with them. The Nazis charged penal taxes for this privilege. Some had difficulty in accommodating it all in the small semi-detached or terrace houses they were able to rent. One or two moved into large places which nobody else wanted or could afford to maintain even at a low rent.

Quite a few of the refugees had owned substantial businesses on the Continent. The Sales Manager of North Eastern Trading Estates Ltd., the late H.C. Whitehouse, recalled that when he visited a prospective refugee tenant of the Team Valley Estate at his home in Berlin in 1937, the door was opened to him by a uniformed servant! ³⁰⁾ The adjustment to the new situation cannot have been easy for the people concerned.

All of them had to get used to a new language and a different way of life. The proportion of those who had never before been to Britain was surprisingly high; their general lack of knowledge of the market for their products even more so. Some made false starts by producing goods they could not sell. Others counted on a continuation of markets they had served from abroad. They could not have been thinking about War or the possibility that these markets might be closed, because this would have removed, in some cases, the basis of their businesses from the start. But they quickly learned and adapted themselves to the circumstances when it became necessary and almost all of them survived and grew, in spite of many handicaps, the most serious of which - internment in 1940 - will be discussed in the next section.

The earlier arrivals helped the later ones in personal and in business matters. For example, a manufacturer of cardboard boxes recalled that his first substantial customer was a refugee firm which had settled only a few months before he arrived.

Many refugees had aged relatives with them and those who did not, wondered how they could get them out of Germany and whether they could support them.

Although many made English friends fairly quickly, much of their social life was spent with fellow refugees. They were at that time still happier to converse in their native tongue, and their common fate and problems formed a natural bond. The choice of the North, particularly the North East, - rather than any other Special Area - (and we know that South Wales was more popular, perhaps because it was nearer to London), was often made because a relative or friend had either settled already or intended to settle there. A remarkable example of such relationships is given in Appendix 18. The arrival of one family eventually caused the foundation of six manufacturing firms!

In the smaller localities, the arrival of the refugee industrialists was News on two counts: Firstly, because there was the prospect of new employment and secondly, because the founder was a foreigner. Again, the term 'refugee' was not used in the local newspapers. For examples, the headline on the front page of the Evening News, North Shields, of 4 February 1938 proclaimed:-

" German Family Arrives to Start New Tyneside Industry"
(reproduced in Appendix 19).

The Auckland Chronicle, Bishop Auckland of 25 August 1938, - in the heart of the very depressed area of South West Durham - reported the opening of every new factory on the nearby St. Helen's Auckland Trading Estate. There

were only 5 such factories planned and built before the War, and three of these were to be occupied by refugee firms. The principals of one of these had fled to London at an early stage of the Nazi regime and had set up a factory in London.

" We are foreigners ",
one of the founders said to the paper's reporter,

" but in England we have been given another home. We moved from London to this distressed area. We thought it might be one way in which we could show our appreciation for English kindness. ". 31)

The same interest was shown in West Cumberland, and there were many references to refugees in the local Press. For example, the West Cumberland News of 6 May 1939 reported that

" A factory on the Solway Estate has been taken by B. May of Berlin... Messrs. Traub and Benesch of Vienna have also taken a 6,000 sq.ft. factory on the Solway Estate for the production of umbrellas and sunshades ...

32)

At the same time, official efforts were made to introduce refugee industrialists to the public, both by arousing sympathy for their circumstances and by welcoming their expected contribution. For example, Jack Adams of the West Cumberland Industrial Development Company was reported by the West Cumberland News of 18 February 1939 to have said:-

" The difficulty of their (our) own people in some parts were lamentable, but it is nothing to what happened to these refugees, when one comes into contact with them... Britain has benefitted before from refugees and he considered that they (we) would benefit again. "

The same newspaper also reported some remarks made by the President of the Cumberland Development Council on 18 March 1939 :-

" Major Hibbert ... welcomes the refugees who are coming here with their brains, capital and machinery. We benefit as we did when the Huguenots were forced out of France... It is significant that when unemployment is increasing , there should be this wave of refugees, victims of persecution, ready to repay in kind the shelter offered to them. "

The newcomers were usually received by a representative of the local Development organisation or by an officer of the Trading Estates company. The late H.J. Whitehouse recalled that he met one such newcomer, who was to become one of the largest employers on the Team Valley Trading Estate, at Newcastle Central Station, took him home and accommodated him for some weeks until he was able to make his own arrangements.

Until the War, when materials of all kinds became increasingly restricted or unobtainable altogether - and when allocation of materials was made on a basis which was very hard on firms which had not produced for at least one year before the War -, the new firms did not take long in finding

suitable suppliers and as most of them were producing specialities, orders were also reasonably easy to obtain, even if the volume was small.

But those refugees who had time to read the newspapers could not have been happy with some of the attitudes of the Press or of Members of Parliament.

Unemployment was still high and this provided a peg on which to hang all kinds of anti-refugee questions in Parliament, questions which only thinly disguised - and often did not even do that - nationalistic or antisemitic sentiments.

The following exchange of 15 December 1938 in the House of Commons was typical: The questioner asked a question whose premise was false; he received a considered reply and then went on to make an offensive statement in the form of another question which totally ignored the reply received: 33)

Mr. Howard Gritten: (Conservative, West Hartlepool)

asked the Home Secretary, in view of the large number of unemployed, when he intends to stop the influx of aliens into this country?

Sir Samuel Hoare: (Conservative, Lemington Spa)

" As I have explained in my previous statements, the policy of selection and control which has been adopted is designed to meet the difficulty to which my Hon. Friend refers. Provided care is taken in the application of this policy, it is possible to admit numbers of refugees without aggravating the unemployment problem. For example, women can be admitted for domestic employment. Again, foreigners admitted to this country during the past few years have started new industries which have given employment to a considerable number of British people."

Mr. Howard Gritten:

" In the matter of admission of aliens to this country, I ask the Rt. Hon. Gentleman, whether the Government intend to continue the special favours to its friends the Jews?"

Sir Samuel Hoare:

" There is no special favour to any class".

At this point, some members known for their humane attitudes got up and put the previous questioner's motives or character into perspective by asking further questions:

Col. J. Wedgwood: (Labour, Stoke)

" Is the Rt. Hon. Gentleman aware that this question comes not from the Trades Unions of this country, but from manufacturers and employers?"

Mr. D. Sandys: (Conservative, Lambeth Norwood)

" Is it not a fact that the entire country is behind the Government in this humanitarian work?"

Mr. Gritten's question must have been particularly offensive to refugees, because it was put only a few weeks after the 'Kristallnacht', when almost all Synagogues in Germany and Austria were burned down and when the majority

of Jewish men were taken to concentration camps and subjected to sadistic brutalities.

Nevertheless, the sentiments expressed in Mr. Gritten's question were more widely shared than Mr. Sandys allowed.

But quite apart from the sentiments of some Members of Parliament, of the less enlightened sector of public opinion and of some newspapers, it would have been surprising, if the introduction of new industries by refugees had proceeded without any jarring notes being sounded.

On 28 March 1939, The Evening News, North Shields, reported that a Scottish M.P., Mr. D. Kirkwood, had put down a question in the House concerning Great Northern Knitwear Ltd, to whom we have already referred. The question described the promoters as a 'German Jewish firm' and noted that a permit had been issued for an Austrian expert to come to Britain in order to train local workers. It pointed out that the Scottish hosiery industry had difficulty in keeping its factories working full-time and why, under these circumstances, had the foreign firm been given facilities under the Special Areas Acts?

In a leader of the same day, the Evening News wrote:-

" The obvious answer is that there is a crying need for new trade and if no English firm comes forward with an offer to supply it and a foreign firm does, it is only common sense to welcome the offer ... While little is publicly known of the details of the new factory, we accept the statement ... that the goods manufactured will be a different line from those produced by the Scottish companies.

That the latter may not be injured by the competition, if any, will be the hope of everyone. But there would be little hope of new industries being established anywhere if the existence of similar industries in one part of the country or another were to be a barrier against new enterprise.

The promotion of the knitwear undertaking promises to create employment in a district where it is badly needed..."

The appeal to a double prejudice, German and Jewish, in the question put down by Mr. Kirkwood cannot have been pleasant to people who had just fled from the consequences of one of these prejudices.

There were also misunderstandings about the role of Trading Estates, even among those who had promoted the idea. Tom Magnay, Liberal M.P. for Gateshead was, by all accounts, a kind and good man, who helped refugees in many ways and later became a member of the Refugee Industries Committee. He was also a strong supporter of Trading Estates and the first Government-financed Trading Estate in Britain was built in his own constituency.

According to a Government Blue Book, Mr. Magnay, a member of a Select Committee of expenditure, questioned a Principal Secretary at the Ministry

of Works on 18 May 1938 about an order for 1000 fire-fighting pumps which had been placed with a Czech firm on the Team Valley Trading Estate,

" in direct competition with firms who had been in business for years." 34)

In fact, orders for these pumps were placed with five British firms. Although Mr. Magnay stated that he "did not grumble", he persisted:-

" You think it right as a matter of policy to have competition on a New Trading Estate with a new firm, which is a totally different idea from that for which the Trading Estates were Established?"

It is not quite clear what Mr. Magnay was getting at, but the official reply was curt and to the point:-

" The pumps are being made, with the exception of one small item, out of British materials, by British labour in a Special Area."

One can understand, up to a point, that some of the Trades Unions were concerned by the introduction to new industries, particularly those employing women and juveniles, which, at the time, were not so amenable to being organised.

The following case does not, therefore, cause much surprise: Councillor J. Middleton, the Northern District Secretary of the National Union of General & Municipal Workers was reported to have included the following remarks in a speech on 17 September 1938:-

" A large proportion of those now occupying factories built at the expense of the British Public and employing British subjects at wages which can only be described as 'sweated' are foreigners." 35)

These remarks drew the following reply in the form of a letter to the North Mail, Newcastle upon Tyne, on 26 September 1938:-

" Councillor J. Middleton makes a sweeping allegation to the effect that Team Valley firms owned by foreign refugees are exploiting labour. I desire to protest in the strongest possible terms against such an accusation, not in the least because Cmr. Middleton has made no examination of the wages paid in my factory, nor that of many foreign-owned factories. I pay a little more than the rate advised by the Labour Authorities.

After the publication of Cmr. Middleton's outburst, my traveller was refused business in Darlington, although the customer had no idea what wages we pay. He took his line from Mr. Middleton's statement. If the North East requires new industries, this is not the way to get them."

The letter was signed by a Mr. Heilsberg, but all our efforts to trace his firm have failed. It is possible that his was one of the early firms which failed or moved away, of which no record exists.

Although these were isolated instances, the Management of the Trading

Estates Company clearly felt it had to speak up. In a lecture to the Tyneside Geographical Society in October 1938, Col. M.F. Methven, the General Manager of North Eastern Trading Estates Ltd, said:-

" In view of the comments often made about us that we are particularly employing girls and juveniles, let me say that this is what we were started to do. We are out to attract light industries and light industries use girls and juveniles ... Regarding aliens and foreigners, we have been told that we are creating a new Jerusalem and that we need an Esperanto office on the Estate. Well, I consider these statements a compliment. We have been grumbling in this country long enough about unemployment. We have as good workmen and technicians as anywhere in the world, but we tend to be a bit conservative. If an alien can come here, start a new industry, reduce unemployment, reduce our imports and increase our exports, and then adopts our nationality, then I say 'good luck' to them..."

He added

" if you could appreciate what these people are doing, you would take your hats off to them." 36)

Most of the refugees we were able to interview stated that they received much help in getting started from the Authorities concerned and experienced much personal kindness.

The War: Internment

In September 1938, the British and French Government reluctantly sacrificed the Sudeten part of Czechoslovakia to the Nazis, in return for a solemn undertaking by Hitler that there would be no further German claims to other peoples' territories.

When Hitler broke his word and invaded the rump of Czechoslovakia in March 1939, even those working for Anglo-German understanding had to conclude that German armed expansionism could not be stopped except by force of arms.

Few refugees appear to have reflected that War might pose problems for them. In a sense, the failure of the policy of appeasement meant that the world at last understood the menace posed by the Nazis and was now rallying to the side of Hitlers opponents and victims.

" In 1914, every German living in Britain was suspected of being a spy. Neighbours denounced them, windows were smashed, people were assaulted in the streets ... in 1939, an entirely different situation prevailed. Public sympathy was on the side of the refugees. Even the Government realised that it was confronted with quite a new problem. It desired to give them the maximum amount of liberty; but it had also to sift out, in the interests of national security, any spies and Nazi agents who might have used the disguise of refugee to cover up their subversive activities."

37)

To deal with the problem, the Government set up special Tribunals. 120 of these 'Aliens Tribunals' were appointed and they were to examine individually every adult refugee and other enemy alien.

" The Tribunals went on assize to all parts of the country. A County Court Judge or a leader of the Bar was at the head of each Tribunal and a Police Officer was attached to it. The Jewish Refugee Committee was invited to appoint to each a responsible officer who could give full information about any Jewish case." 38)

Aliens were classified A, B or C. Those in category A were deemed to be suspect and were interned. Those in B remained at liberty subject to certain restrictions, such as a limit on travelling of 5 miles and giving up their bicycles and cameras. Those in category C were given complete freedom and their Aliens Registration documents were stamped "Refugee from Nazi Oppression". (Appendix 20).

Tribunals differed in the interpretation of their instructions, particularly in regard to the fine line between categories B and C, depending on the prejudices of the Chairman. In some places they tended to lean on one side, in others on the other. At the beginning, more than half the people were classified B. The Home Office was forced within 2 weeks after the Tribunals started work, to call a conference of Chairmen to explain the position. The distinction between B and C was unimportant at the beginning of the War, but it was to have disastrous consequences for some people later if they were classified B.

We now come to an episode in the treatment of refugees in Britain during the early part of the War, which we will discuss at some length, because quite apart from the effect on refugees generally, it caused grave problems to the young industries established by refugees : Internment.

After a period of 8 or 9 months from the start of the War, when no action took place on land or in the air, - the so-called 'phoney War' -, hostilities began in earnest and things went badly for the Allies from that moment.

Denmark and Norway were invaded and conquered. A British force was sent to Narvik in Northern Norway but had to withdraw with its task incomplete. On 9 May 1940, Holland was invaded and all resistance by the Dutch armed forces ceased within a few days. It was in Holland - much more than in Norway - that the Nazis relied heavily on a so-called 'Fifth Column', that is, on political sympathisers who went so far as to betray their country to its enemy. There was also some evidence that German soldiers, in the guise of tourists, had entered Holland during the weeks and days before the invasion and took up pre-arranged positions.

Belgium and France were attacked. Belgian resistance lasted no longer

than Dutch and a deep penetration into France seemed to meet no effective resistance.

Perhaps because the War was going badly, public opinion in Britain had become less friendly towards refugees, and the more strident section of the Press encouraged the change.

On Sunday, 12 May 1940, the Police rounded up all male Germans between the ages of 16 and 60 living in the 'protected areas', - the coastal belt stretching from the Isle of Wight to the Moray Firth - and handed them over to the Military. A few days later, male German refugees were arrested in most places in Britain. Within a month, the women had to leave the protected areas and category B women and their children were interned.

The arrangements for their accommodation showed all the signs of haste: Barracks, race courses, disused factories, tented sites were pressed into service and the conditions in some of them were very bad.

Quite a few refugees took poison when the Police arrived. They had come to the end of their tether.

Examples of Police brutality in the manner of arresting people were later reported to the Home Secretary.

Jewish refugees with Czech or Polish Passports, or with passports of countries with which Britain was not, technically, at war, were not affected. Nationality was still considered the likely root of a person's sympathies, however unrealistic such a view was under the circumstances. The Bishop of Chichester, in a speech in the House of Lords on 6 August 1940 pointed out the reality of the situation:-

" The present War is not a war on a primarily national basis, but is, as British Statesmen have often pointed out, a war between ideologies and principles. Therefore the question who is Britain's friend or enemy cannot anymore be answered under the aspect of 'passport nationality' but must be answered in terms which take into account the new character of the present War, in terms of ideological citizenship." 39)

In the North East, almost all the refugees were industrialists. They were accommodated at Fenham Barracks, Newcastle upon Tyne. The shock of finding themselves once more in a prison - guarded by soldiers carrying rifles with mounted bayonets - was not lessened by the principle of their situation: Having escaped with their lives from Nazi Germany, they were now suspected, after considerable screening, of being the agents of their tormentors.

About 120 people were living in the Gymnasium of the Barracks. Contact with the outside world was almost impossible. Wives and business associates were allowed to see them once a week for a few minutes in a small room adjoining the Gymnasium, in the presence of an armed soldier.

After about 3 weeks at Fenham Barracks, the refugees were moved to a

recently completed housing estate at Huyton near Liverpool, which had been turned into a prisoner-of-war camp with barbed wire, watch towers, search-lights and armed guards. Later, most of the refugees were moved to the Isle of Man, where similar camps had been constructed.

In West Cumberland the situation was somewhat different. The area was not classified a Protected Area. Furthermore, the majority of refugees carried Czechoslovak or Hungarian Passports. Czechoslovak citizens were treated as allies and Hungarians as neutrals, Hungary not yet having entered the War on the side of Germany. In addition, the local Chief Constable seems to have carried out his instructions with somewhat more discretion than his counterparts on the North East Coast, a fact on which some of the few refugees affected by internment have commented to us. Internment was, for most of them, a short experience and we have not heard of any difficulties arising for refugee industries in West Cumberland as a result of this episode.

The local and national refugee organisations reacted promptly by collecting information for presentation to the Home Secretary. Thus the Northumberland and Newcastle Refugee Committee wrote to the Trading Estate Company at Gateshead on 16 May 1940, asking for details of how employment was likely to be affected. 40)

On the same day, the secretary of the Committee for Development of Refugee Industries (see last section of this chapter) also wrote to the Trading Estate Company asking for the same information. The Nuffield Trust, who had assisted a few of the affected firms, also wrote to the General Manager of the Trading Estate Company, Col. Methven, on 16 May "to see how they could assist businesses through this difficult period." 41) The Trading Estate Company, also acting for refugee tenants of 'Commissioner's' factories at West Auckland and West Chirton, did its best. It prepared a report on the facts: It listed all the affected firms and their employment. It sent its report to almost anyone who might be interested, including the local branch of the Bank of England. It also wrote to the Commissioner, whose offices were evacuated to Southport.

Sir James Price, who had succeeded after the death of Sir George Gillett, replied on 15 May 1940:-

" I realise the serious effect that the new restrictions on aliens would have on many undertakings which have been induced to establish themselves in the Special Areas, and I was not, therefore, surprised to receive your letter of 13 May. We are naturally examining the position, but I am afraid that I can hold out no hope that we shall be able to do anything about it. C'est la guerre." 42)

On 30 May, the Board of Trade wrote to Col. Methven the General Manager of North Eastern Trading Estates Ltd asking for the facts:-

" It has been brought to our notice ... that the principals of alien nationality of all businesses established by refugees in the Team Valley Trading Estate has been interned. It has been represented that this measure has inflicted grave damage on all firms concerned and that, as a result,

many will be forced to close down." 43)

The measure did indeed inflict grave damage. At first the wives of some of the interned refugees tried to carry on, but they, too, were forced to leave the area within the month. One or two firms moved out of the protected area and the women carried on the business. In other cases, foremen and newly trained managers tried to do the same. Many businesses, however, had to close down.

The financial position of most of the firms, particularly of the later arrivals, and of the families concerned, became rapidly disastrous. Since they had arrived with barely enough to start a manufacturing business, the interruption caused by internment and the uprooting of their families strained the finances of some of them beyond breaking point. Some of the women and children who went to London and elsewhere had to be supported from public sources for the first time in their lives.

Within a few weeks, the internment order, and the conditions under which refugees were held, sparked off a number of heated questions in both Houses of Parliament, in spite of all the desperate pre-occupations of the Government and country. The subject was raised a number of times during June 1940 and on 10 July a general debate was raised on the adjournment by Victor Cazlet M.P., himself the descendant of Huguenot refugees.

" During the 5½ hour debate that followed, members of all parties pressed home the inhumanity, the folly and the wastefulness of the mass internment policy. From that date, the Government began an unwilling retreat from what had proved to be an indefensible position." 44)

The Government certainly had a large amount of information on each refugee industrialist. The Consular Offices on the continent had made exhaustive enquiries, in many cases refugees were visited by officers of the local Development Organisations in their own homes. Then there were the tribunals at the beginning of the war. The whole affair seems to have been a big blunder, although perhaps an excusable one under all the circumstances.

On 31 July 1940, the Government published a White Paper listing 18 categories of people whose release from internment could be considered. 45) As the Manchester Guardian of 2 August 1940 pointed out in its leader, 12 of the 18 categories were not new but coincided with those outlined by Mr. Peake in his speech in the Commons on 10 July as categories which the police were carefully instructed to exempt from internment!

Release from internment began in September 1940, but it was a slow and erratic process. Some refugee industrialists from the North were among the first to be released. Others - often partners or close relatives of the early returnees - were detained for a year or more, for no reason anyone

could discover. By the middle of 1941, all the refugee industrialists in the North had been freed. A few refugee industrialists joined the Forces directly from internment camps. Initially, they were restricted to the Pioneer Corps, but in the spring of 1942 they were admitted to the Fighting Services.

Most of the refugees returning from internment had to rebuild their firms almost from the beginning. Those whose firms were not engaged on work of national importance found that their factories had been requisitioned in their absence and their plant and stock stored.

Few of those we interviewed for our case studies, so far as they were still alive, were willing to discuss this period of their business life in Britain. All of them seem to have recovered, but we cannot know at what cost.

A few restrictions were lifted gradually during the War, but the need to report absences of 24 hours from home remained almost to the end of the War. At the same time, refugee industrialists were gradually drawn into war production and in order that they - and their firms - could undertake such work, they were required to have Auxiliary War Services Permits. A copy of such a permit, entered into an Aliens Registration Book - which every alien had to have - is reproduced in Appendix 21.

Refugee industrialists, like other refugees were also recruited for Civil Defence activities - including the Home Guard - and slowly the sense of alienation created by internment disappeared by their general acceptance into the community.

The Refugee Industries Committee

A few months before the War, a number of public men, mostly Members of Parliament, decided to form an organisation which would assist refugee industrialists from the Continent, particularly from Czechoslovakia.

The organisation was formed at a meeting at the House of Commons in July 1939. This was the beginning of the Refugee Industries Committee.

Among the founders were the Rt.Hon. Sir Arthur Salter MP, the Rt.Hon. Viscount Cecil of Chelwood and the Rt. Hon. Alfred Duff Cooper MP.

The first chairman was Maj. General Sir Neill Malcolm, a former League of Nations High Commissioner for Refugees from Germany. In Appendix 22, we have reproduced a leaflet, dated 1944, describing the work of the Committee.

Its first name was 'Committee for Development of Refugee Industries'. By 1941, its name had changed simply to 'Refugee Industries Committee', and, at the end of 1947, to 'Committee for Development from Overseas'.

According to its last secretary, Dr. R. Munster, the Committee was

disbanded in the early 1950's and its files destroyed.⁴⁶⁾

In Appendix 23 we have reproduced letterheads of the Committee, showing its changing membership over the years, which consisted entirely of prominent British people.

Affiliated to the Committee were local or regional Refugee Industries Associations. Some of these were established late in 1941, by which time almost all German and Austrian Refugees had been released from internment. Others were established at the end of the War and even afterwards. Apart from Associations in the Special Areas of England, Wales and Scotland, there were Associations in London, Leicester, Birmingham, Yorkshire and in Northern Ireland. A Tyneside Refugee Industries Association was formed on 30 July 1942, with a sub-Group at Bishop Auckland being formed later. In Appendix 24 we reproduce the Rule Book of the Tyneside Refugee Industries Association. A West Cumberland Association was formed in the spring of 1945.

Finance was secured by annual subscriptions to the local Associations, who in turn, subscribed to the Central Committee in London.

The Committee became quickly recognised as the national organisation of refugee industries, who found in it an advocate with ready access to Ministers and Government Departments. This wholly British representation proved to be of great value to the new industries, particularly under the circumstances arising out of the War.

The leaflet reproduced in Appendix 22 indicates the wide range of the Committee's work, much of which was made necessary by war-time conditions: It saw to it that new firms received reasonable allocations of scarce materials. It helped to procure labour permits and export licences. It was active during the internment episode and arranged for questions to be asked in Parliament in particular cases. (Appendix 25). Later, it succeeded gradually in obtaining an easing of the many restrictions imposed on all aliens of enemy nationality, particularly those affecting movement, which were specially irksome to industrialists. Depending on the Police authority concerned, a refugee might have been kept waiting up to 10 days for permission to travel a distance of 40 miles.

From 1942 onwards, the Committee arranged annual conferences in London, in order to bring representatives from the local Associations together with each other and with the Central Committee and its Executive. On these occasions, refugee industrialists were also able to meet representatives of Government Departments and to discuss their problems with them. The records indicate that, on the whole, these problems received sympathetic consideration. At some of these meetings, there were speeches by highly-placed British well-wishers - for example by the Rt. Hon. Alfred Duff

Cooper, whose address at the first annual meeting on 10 June 1942 is reproduced in Appendix 26 - who helped to boost the morale of those present.

The Committee also effectively combatted the anti-alienism which continued throughout the War and increased towards its end. This was perhaps not very surprising, even if one could have hoped that the position of German refugees might have been more widely understood by then.

During the War, - at least, after the internment episode - refugees ceased to be of general interest or importance. There was little information on their activities or achievements. Some of these were covered by the general requirements for secrecy. It was too early for the Refugee Industries Committee to collect information on the employment created by refugees. This was, in any case, of little importance at the time, because labour was scarce almost everywhere in the country.

Towards the end of the War, there was a widespread fear - with the experience of 1920 in mind - that servicemen and women would find it hard to obtain employment after their demobilisation. There were worries about housing for the returning soldiers and their families, particularly in places where, for historical reasons, refugees had congregated in numbers, for example in the Hampstead area of London.

At this time, the Refugee Industries Committee had to devote much effort to defence work. For example, the Committee reacted promptly to an article in Truth of 6 October 1944, written by the editor and headed 'Do the British matter?'

" Dr. J.J. Mallon of the Refugee Aliens Protection Committee is anxious to reassure people about refugees in this country. Scorning the idea that they wield any undue influence, he writes that there are only 55,000 aliens of enemy origin in Britain, most of whom were women, children and old men. All, if not in the Forces, are directed into industry in the same manner as our own nationals, he affirms.

Had he left the matter there, Dr. Mallon's statement would have been comforting, but he went on to boast the fact that the remainder, among other things, had established 300 factories in Britain, and he estimated that they would be employing over 100,000 British employees by the end of the War. Not a bad achievement for a handful.

Apparently, British brains and skill, which for so long led the world, are now bankrupt of resources to provide employment for these 100,000, who must therefore work for alien masters. Dr. Mallon rejoices in this state of affairs ... We shall soon need a Native Briton's Protection Centre."

Clearly, refugees could not win: Before the War, their admission was feared by some because it might increase unemployment among the British, and now it was being objected to that they were increasing employment!

The Committee's reply was printed in the issue of 27 October 1944:

"DO THE BRITISH MATTER?"

SIR,—If TRUTH is interested in "truth," the following may appear relevant to your paragraph, "Do the British Matter?" I have just returned from Northern Ireland. During my visit I read in a Northern Ireland newspaper that the Prime Minister had visited a factory run by refugees. The article was headed "How Prosperity Came to County Down." It recorded that, owing to the closing of a factory, two villages had been idle for over twenty years. A generation had grown to maturity without knowing the joy of earning their own bread. Four refugees from Czechoslovakia had been induced to take over the derelict factory for use as a chrome tannery. They promised to employ fifty workers. They already employ over three hundred. . . . Before these aliens arrived, the local farmers could find no market for their products; shopkeepers struggled to keep open; the local cinema opened two nights a week for one performance; it now opens six nights a week. The workers' wages are well up to standard; there is an up-to-date canteen and a welfare department provided concerts, debates, dancing and whist drives. I found the workers eager to tell me how happy they were. They regard these refugees as their friends and benefactors! Will anyone dare to remind them that they are now dominated by alien masters and need "A Native Briton's Protection Centre?"

ERNEST COVE.

[The question arises, why were refugees necessary to convert a derelict factory to a chrome tannery? Is all native enterprise dead—or is it that the native entrepreneurs are absent with H.M. Forces or on work directed by Mr. Bevin? If a nation, under stress of war, has to "exile" its own people, the refugees, to whom it gladly gives temporary sanctuary, may well find opportunities of this kind and earn local gratitude. Britons would, doubtless, earn the same gratitude with the same opportunities, though one has an uneasy suspicion that Britons would only earn the opprobrium of being "exploiters." —F.R.]

The Committee might have pointed out that the founders of some of Britain's largest firms, including Imperial Chemical Industries, the General Electric Company, Marks & Spencer and Burton the Tailor - to mention only a few - were born abroad and, therefore, 'alien masters'.

While the article in Truth may have been inspired by malice, the widespread ignorance about refugee industries resulted in some unfortunate attitudes and public utterances.

For example, the Sunday Dispatch of 19 November 1944 printed a report headed "British Legion to fight the 'Alien Menace' to Post-War Jobs" (reproduced in Appendix 27). While the Legion's Planning Committee appeared worried particularly by small refugee traders, (of which there were only a few, if any, in the North at that time) it could think of refugees in no other role than as competitors for post-War jobs.

Again, the secretary of the Refugee Industries Committee reacted at once and his reply of 21 November to the Legion's secretary is reproduced in Appendix 28.

An echo of the same attitude - perhaps a part of the campaign by the British Legion - was heard in Parliament. On 7 December 1944, Capt. P.D. MacDonald (Con., Isle of Wight) asked the Home Secretary, whether

" he will consider the introduction of legislation

prescribing that no alien of enemy nationality may hold a controlling number of shares in any company, and that under all circumstances an available British subject shall be given preferential claim to employment over any such alien, provided he is capable of doing the work in question." 47)

The Home Secretary, Mr. H. Morrison, replied:-

" ... the issues are not as simple as might appear from my Hon. and gallant friend's question. For example, refugees from Nazi oppression and other aliens of enemy nationality have materially contributed to the war effort of the United Nations as members of the Forces or as civilians, while others have rendered valuable services by establishing industrial enterprises giving employment to British workers to the advantage of the national economy." 48)

At its annual meeting in the summer of 1945, the British Legion refused to lend itself to an anti-alien propaganda drive, particularly because the meeting learned that 8,000 German refugees were serving in H.M. Forces. A motion opposing the grant of business licences to foreigners was defeated by a substantial majority.

The debate on 'Enemy Agents and Propaganda' in the House of Lords on 27 February 1945 was an occasion when the Earl of Munster, for the Government, was obliged to rebut some wild allegations made by members about German refugees. In particular, he resisted the idea that such refugees were simply people of enemy nationality.

Lord Ailwyn, having offered his view that unjustifiable risks had been taken throughout the War by not keeping all German nationals interned for the duration, added, by way of a digression, the following remarks, which echoed the feeling of many uninformed people in Britain at that time:-

" ... what is going to be the reaction of our fighting men when, in due course, they return from demobilisation and re-enter civil life, and find countless (sic) Germans firmly established in business in this country. Have the Government got this particular angle of the subject in their minds? One only hopes that the prospect of full employment for our own men and women is not going to be jeopardised by the retention of these aliens in this country for one day longer than necessary once hostilities are ended." 49)

Viscount Templewood (formerly Sir Samuel Hoare), who was Home Secretary at the time when the majority of German refugees were admitted to Britain, attempted to bring the debate back to reality:-

" I could show your Lordships that, so far from these Jewish refugees having taken work from British subjects, they formed a number of industries and they entered into a number of activities, so that not less but more British

labour has been employed." 50)

But this information clearly did not make any widespread impact, - perhaps because it did not contain any hard facts -, and the repatriation issue was raised again, both inside and outside Parliament.

For example, during Question Time in the House of Commons on 15 May 1945, the Prime Minister was pressed to state the policy of the Government on this issue. He replied that

" quite apart from other considerations, a policy of repatriation to Germany would meet with marked practical difficulties";

and he agreed with Mr. S. Silverman (Lab. Nelson & Colne) - a member of the Refugee Industries Committee -

" that it would be difficult to conceive a more cruel procedure than to take people who have lost everything they have - their homes, their relatives, their children, and all things that make life decent and possible - to compel them against their will to go back to the scene of those crimes." 51)

Nevertheless, Mr. A. Hopkinson (Ind. Mossley, Lancs), who had raised the matter, pointed out during the discussion that

" there have been frequent assurances by Home Secretaries that these men were to be repatriated at the earliest moment".

and asked whether this was still our policy? 52)

Mr. Churchill replied that

" it still remains our desire that our policy should be framed with due regard to practical considerations."

As an aside, it may be said that the Refugee Industries Committee was surprised by the reference to assurances given by Home Secretaries regarding the repatriation of refugees, and that its searches in Hansard failed to find any.

After the War, - with shortages of labour rather than the expected unemployment, - the need for defending refugee industries became less important and the Committee began to draw attention to the achievements, both on the Radio and in the Press. An article in the first issue of The Director of November 1947, reproduced in Appendix 29 is a good example of this kind of work and of its style.

At the end of the War, the Committee undertook new tasks: It made preparations for claims against Germany on behalf of industrialists who had suffered the virtual confiscation of their factories and assets. It also began to assist the 'second wave' of refugees who wanted to set up factories, including those who had served in the Forces, those who had no opportunity to start before the War and those who had managed to come during

or after the War.

The most important part of the Committee's work during the last year of the War, however, was concerned with the naturalisation issue.

Refugee industrialists became increasingly concerned about their position at the end of hostilities. We have already referred to the lobby calling for a general repatriation. But quite apart from that, it was feared that a blanket naturalisation of all who wanted to stay in Britain was unlikely. Even if the principle had been accepted, it was realised that the machinery of the Home Office was not geared to the relatively large numbers.

During the War, naturalisation was granted only in exceptional cases, - the total number was 67 ⁵³⁾ -, and there was a large backlog quite apart from refugees.

In January 1944, Political and Economic Planning published an article giving the facts of the refugee situation in Britain and pleading that it was in the interests of the country that those who wished to stay after the War should be naturalised. ⁵⁴⁾

In retrospect, it seems curious that such a plea should have been necessary. Large numbers of refugees had served in the Fighting Forces. Refugee specialists had been of considerable value to the War effort. Academics, particularly in pure and applied Science, had made a considerable contribution to that effort, and refugees were prominent in the development of atomic energy. Refugee industries all over the country were employing a substantial number of British workers. It was clearly not the intention that people should first be encouraged to set up factories, particularly in the Special Areas, and then, after an unspecified time, close them down again.

The Refugee Industries Committee prepared a deputation to the Home Secretary, Mr. Herbert Morrison, to take place in the summer of 1944. The deputation was to discuss

" naturalisation and, failing this, the removal of time restrictions on permissions to stay in Britain." ⁵⁵⁾

It is noteworthy that the Committee half expected to fail to persuade the Home Secretary to naturalise industrialists and that it was ready with an alternative. In explanation of this alternative, we might recall that refugee industrialists, like other refugees, needed to have their residence and work permits renewed annually. This was an unsatisfactory basis on which to plan the development of manufacturing businesses.

The Committee invited Col. Methven, the General Manager of North Eastern Trading Estates Ltd to be a member of the deputation. The Board of the

Estates Company agreed to this on 12 May 1944 and informed the Commissioner for the Special Areas. 56)

The question of naturalisation had been raised in Parliament on a number of occasions by Members who were associated with the Committee, but the answers were almost always rather evasive. It was for this reason that Mr. James Griffith M.P., a Welsh miners' leader and a staunch friend of refugees, tried to arrange for the Home Secretary to meet the deputation organised by the Committee.

An undated and unreferenced confidential memorandum, almost certainly written by Ernest Cove, the secretary of the Committee, throws some light on the complexity of the matter at the time:-

" I have had today an interview with Mr. James Griffith at the House of Commons. He reports to me that with regard to the deputation, he has had a personal discussion with Mr. Morrison, during which Mr. O. Peake (Under-Secretary) was present.

Mr. Morrison expressed himself as in sympathy with the aims indicated by our deputation and considered that if the deputation consisted entirely of Members of Parliament, he could not refuse to accept it. However, if we insisted on the deputation at this time, we would gain nothing from it because he would be forced to say that nothing could be done at present. His reason for this being that he was handicapped, because the question did not merely concern the Home Office but concerned the Government as such and was linked up with the whole question of naturalisation of refugee aliens and the rehabilitation of Europe after the War ...

He did, however, indicate that it was advisable for us to continue our negotiations with Government Departments other than the Home Office and I gained the impression that if we could secure permits from other Government Departments to take certain steps with regard to stabilising these industries, the Home Office would give favourable consideration to granting the necessary extensions of permits." 57)

The advice given by the Home Secretary was taken. In July 1944, the deputation was abandoned and, so far as we have been able to establish, it was never revived.

In the summer of 1944, the Committee presented a Memorandum to the Department of Overseas Trade. Although mainly concerned with post-War exports by refugee industries, it touched on several sensitive aspects of the future of such industries in Britain.

According to the Newsletter of the Committee for July 1944 58), the Memorandum

" has been welcomed and praised by Members of the House of Commons and the House of Lords and we have received complimentary letters from a number of other important personages. Reports have reached us which show that

the questions raised by us are now being considered by various Government Departments ..."

The Minister for Overseas Trade, Mr. Harcourt Johnstone, received a deputation of refugee industrialists to discuss the Memorandum in some detail. The Minister was asked at the outset, whether he considered refugee industries to be a permanent feature of British economic life and he answered that

" in my view, it is desirable that these industries should be absorbed as soon as possible as British industries. The decision, however, rests partly with the Home Office." 59)

The Minister added that the question of the right to trade was under immediate consideration by the Home Office and that the matter had reached its last stage. He did not know what the decision would be, but he did not think it would be negative. He thought that, because of the complexity of the matter - the naturalisation of all aliens was involved and not just that of refugee industrialists - the Home Office might make a temporary decision on the right to trade. He did not think this would be long delayed. and, for his part, he hoped it would be of a favourable nature.

According to a former member of the Tyneside Refugee Industries Association, a representative of the Ministry of Overseas Trade visited the North East sometime before the end of the War. He pointed out the overriding importance of getting exports going again at the end of the War and he invited the co-operation of refugee industrialists, whose presumed remaining connections in foreign markets and knowledge of foreign languages he considered to be important assets.

After the end of the War, there was a gradual easing of the many restrictions and requirements to which former refugees were still subjected. For example, in 1947, the limitation on the length of stay of those who had arrived before the War was removed. By 1948, the same category of refugees no longer required a permit to work, nor the permission of the Secretary of State before becoming company directors.

In the event, naturalisation of all who wished to stay in Britain was granted with a speed which astonished many. Refugee industrialists (among other categories of refugees, for example ex-servicemen) were enabled to make priority application, so that they were able to travel abroad in pursuit of export orders. The Refugee Industries Committee was able to persuade the Home Office not to require any reference to naturalisation or former nationality in the passports issued to the new citizens.

Within 3 years after the end of the War, naturalisation was almost completed. The problem had been resolved much more satisfactorily than anyone could have foreseen only a few years earlier. The period of complete

absorption of the pre-War refugees from the Continent was beginning.

But the work of the Committee was not yet quite done. Even after most of its members had been naturalised, the need for it seems to have been accepted by most former refugee industrialists. Their position was not yet so strong or so normal that they felt able to dispense with such a useful ally. The Committee's facilities certainly appear to have been widely used: In the second half of 1947, the case-work department of the Committee reported that it had dealt with 1,800 requests for assistance!

But the name of the Committee seemed no longer to reflect the situation and at the end of 1947 it was changed. The word 'refugee' no longer figured in it.

In time, much of the work of the Committee was taken over by other bodies, notably those which dealt with restitution and compensation in Germany and, gradually, the need for its existence decreased.

There is no doubt, however, that it played an important role in the settlement of refugee industries in Britain and many refugee industrialists have told us that they felt a personal debt to Ernest Cove, its secretary from its inception until his retirement in the spring of 1946.

Growth and Post-War Foundations of Refugee Industries

So far, we have considered the history of refugee industries which were established before or during the first few months of the War. During the War it was generally impossible for refugees of enemy nationality to set up new industries, unless it was in the national interest. One or two managed to start under the sponsorship of British subjects and a small number of refugees with passports of allied or friendly countries were able to set up factories in products which required little or no scarce materials.

With the exception of firms which were heavily involved in the war effort - and which declined temporarily in size and employment immediately after the War -, the majority of refugee industries grew in the period after 1945, some very rapidly.

We were able to obtain figures of employment of those firms which were in production by February 1940 in factories of the North Eastern Trading Estates Ltd or in 'Commissioner's' factories administered by them and by the West Cumberland Industrial Development Company Ltd. We have recorded these figures on the tables in the following pages, as also the figures for the same firms for 1963, and we have compared them with the figures we obtained from these firms for our Case Histories, i.e. for 1974. The growth pattern of most of the firms still in existence at our key date is quite apparent.

While the pre-War pattern of the establishment of refugee industries was markedly uniform, there were few common factors in the post-War period. This period saw the foundation of some 30 firms by former refugees, some of which became important in terms of employment and exports, particularly in the North East. Indeed, by 1974 the average employment of the post-1945 foundations in that part of the North was higher than that of the pre-1940 ventures.

A few of the post-War firms were founded by refugee ex-servicemen, who found themselves in the North for a variety of reasons. Others were founded by sons of refugee manufacturers who came to the North before the War. Others, again, were set up in the North because of the inducements offered by the Board of Trade under its location of industry policies. Finally, one or two refugee firms, established elsewhere in Britain, moved to the North for the same reasons and because growth was likely to be easier, as labour was more readily available than outside the Special Areas.

Because of the variety of reasons for which refugees established industries in the North after the War, we rely on our Case Histories to identify them in each particular case.

By the early 1960's, many of the founders of the pre-War refugee firms who were still alive were thinking of retiring or of selling out. This was made necessary or desirable by a combination of factors affecting all small or medium-sized British manufacturing industry. In some cases they handed over to their sons or relations.

Some Notes on the Employment Tables on the Following Pages

The firms listed are those which operated in factories administered by North Eastern Trading Estates Ltd and by the West Cumberland Industrial Development Company Ltd, whose records go back to 1940. The list does not include all the refugee firms in existence in the North in February 1940. Some of them were established in premises outside the control of the Trading Estate companies.

In the North East, there were 7 firms in such premises: Adpreg, Castle-crafts, Eskimo Slippers, Lime Sand Mortar, Thos. Mouget, Tyne Chemical Company and Tyne Truck & Trolley Company. In West Cumberland, Hornflowa, a substantial firm, was in temporary premises while a factory was being built for them on the Solway Trading Estate at Maryport. It should also be remembered that Marchon, the largest refugee venture in the North, did not start manufacture in West Cumberland until 1941 and then in private premises.

Number of Employees in Refugee Firms Established by February 1940
in Factories Administered by North Eastern Trading Estates Ltd.

(Figures for 1940 and 1963 by courtesy of English Industrial Estates Corporation, which absorbed North Eastern Trading Estates Ltd in 1960. Figures for 1974 from our Case Histories)

	February 1940	December 1963	November 1974	Remarks
Alligator Leather Goods Co.Ltd	107	148	125	
Alsco Cardboard Boxes Ltd	13	57	44	
Appetiser Co.Ltd	8	--	--	no longer a manufacturer
Belts & Trimmings Ltd	10	25	--	sold and removed from North
* Julius Bernet Ltd	11	20	60	inc. 50 outworkers
Burrell & Maurice Ltd	11	136	400	
Builders' Chemicals Ltd	3	9	5	now Modelgrade Ltd
Ernest & Henry Ltd	67	267	200	
* Fancy Crepe Paper Mills Ltd	39	200	550	inc.300 outworkers, see note i)
Great Northern Knitwear Ltd	60	71	100	
* F. Heller & Co. Ltd	12	50	100	
Loblite Ltd	13	100	65	
Metal Paper Works Ltd	7	13	18	
Norbrit Alloys Ltd	2	--	--	liquidated
J. Nussbaum	2	--	--	closed down
Period Furniture Ltd	14	--	--	liquidated
Sigmund Pumps (G.B.)Ltd	325	1300	1830	see note 2)
J.C. Solomon Ltd	10	--	--	liquidated
Sundox Ltd	3	--	--	absorbed by Tynebrand
* Team Valley Brush Co.Ltd	29	200	390	see note 3)
Team Valley Weaving Indsts Ltd	15	60	160	
* Tevaclo Ltd	41	100	120	see note 4)
* Toilet Goods Mfg. Co.Ltd	9	25	100	
West Auckland Clothing Co.Ltd	444	675	550	absorbed by Steinberg & Son.
	1255	3456	4817	

Firms marked with an asterisk left Team Valley before 1963. They do not appear on the statistics for that Estate and we estimated the employment for 1963, after discussions with the firms concerned.

- Note 1) Fancy Crepe Paper no longer exists. We have taken Matador as successor
 " 2) Figures for 1963 and 1974 include those for Intern. Boilers, founded in 1961
 " 3) We included figures for Lion Brush, resulting from split. Because Lion was never on a Trading Estate, we have marked this firm with an asterisk
 " 4) Tevaclo no longer exists in North, we have taken Distinctive Clothing as successor, because it originated from a split.

Number of Employees in Refugee Firms Established by February 1940
in Factories Administered by West Cumberland Industrial Development Company Ltd

(Figures for 1940 and 1963 by courtesy of English Industrial Estates Corporation, which absorbed the factories administered by West Cumberland Industrial Development Company Ltd in 1960. Figures for 1974 from our Case Histories)

	February <u>1940</u>	December <u>1963</u>	November <u>1974</u>	<u>Remarks</u>
Cumberland Childwear Ltd	113		300	
Cumberland Knitwear Ltd	12		--	ceased trading in 1957
Cumberland Paper Co.Ltd	10		180	
Cumbrel Ltd	18		--	ceased trading in 1942
Kangol Group	113		1300	
Lakeland Food Industries Ltd	76		260	
West Coast Chrome Tanners Ltd	117		300	
West Cumberland Silk Mills Ltd	50		280	
	<u>468</u>	<u>1600</u>	<u>2620</u>	

While the Head Office of English Industrial Estates Corporation at Gateshead was willing to give us employment figures for each firm in the North East for the years 1940 and 1963, their Cumbria Office felt able to give us only totals for 1963, for reasons of confidentiality.

We note that the smaller number of jobs created by refugee firms in West Cumberland by February 1940 were relatively more important than the larger number on the North East coast: On that date, the total employment in factories of the West Cumberland Industrial Development Company was 1,047, so that refugee industries accounted for 45% of the employment. On the same date, the factories administered by North Eastern Trading Estates Ltd employed about 6,000 people, so that refugee industries accounted for only 21%. We shall come back to the question of the relative importance of refugee firms in the North East and in West Cumberland, but we shall arrive at the same conclusion.

The figures both for the North East and for West Cumberland show the considerable growth in employment between 1940 and 1974, even if the number of firms declined.

Because the English Industrial Estates Corporation (or its predecessors) no longer controlled more than a part of the factories available for rent in the Special Areas of the North in the post-War period, and because of the extended time span over which the foundations of post-War refugee industries was taking place, it is not possible to provide similar tables illustrating their growth, which was certainly considerable.

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CHAPTER 6 : THE CASE HISTORIES: SOME CONCLUSIONS

Number of Firms and total Employment

We have given brief histories of 54 manufacturing enterprises started by or in conjunction with refugees between 1937 and 1961 and still in existence in the Special Areas of the North on 1 November 1974.

The number of founders was approximately 100

The number of people employed by the firms included in our study on 1 November 1974 was 16,932 . A discussion of the accuracy of this figure will be given later in this chapter.

We have also given brief details of refugee firms which were established in the Special Areas of the North during our time span, but which, for a variety of reasons, were no longer in existence in the North on our key date. The number of such firms was 22 .

The total number of refugee manufacturing firms in the Special Areas of the North established between 1937 and 1961 was, therefore, 76 .

The direct employment in manufacturing enterprises is not the total employment provided. The indirect employment by suppliers of goods and services, by Utilities, Banks and Public services is considerable.

Moreover, the influx of many new industries into and the creation of new industries within the Special Areas of the North since the War has made it possible to purchase an increasing range of goods and services within the Areas. It follows, that the indirect employment created by refugee firms in the North is increasing, but as it is not possible to quantify this employment, we have not taken it into account.

Nor have we considered the employment created elsewhere in Britain as a result of the establishment of refugee industries in the North, nor that of any firms founded after the end of 1961, the one exception having been established in January 1962.

We have also omitted the employment created by refugees who set up new product divisions within existing British firms in the North rather than their own factories. Refugees who were active in this respect include the following:

Dr. H. Binder, from Germany, set up the manufacture of pressed steel radiators at Joseph Cook Ltd, Washington, County Durham (now Washington Engineering Ltd, a branch of the Hawker Siddley Group). It is believed that this was the first use of the process in Britain.

A Mr. Beck (drowned at Sea on his way to Canada for internment there when the Andorra Star was torpedoed in 1940), from Austria, set up the manufacture of Oil Seals for the Automotive Industry at George Angus & Co.Ltd, Newcastle upon Tyne (now part of the Dunlop Group). The Division at one time employed 1,750 people.

Mr. (now Sir) Horace Heyman, from Germany, started the production of battery-electric delivery vehicles at Smith's Electric Vehicles Ltd, Team Valley Trading Estate, shortly after the end of the War. This firm was a subsidiary of Rington's Tea Ltd of Newcastle upon Tyne. The firm is now part of another group.

Our criteria, therefore, lead to an under-estimate of the total employment created by refugees in the Special Areas of the North from 1937 - 1961.

Analysis of Categories of Surviving Firms

The following analysis has been extracted from the alphabetical and classified indices of surviving firms in the North East and in West Cumberland on pages 183,184;294. The classification itself is explained at the beginning of chapter 7.

Foundations up to 1940

- 26 firms were set up by refugees on their own (I/a)
 - 3 firms were set up by refugees in partnership with local interests (I/b)
 - 2 firms started manufacture in London and moved to the North (I/c)
- 31

Foundations after 1940 (i.e., with a few exceptions, after 1945)

- 14 firms were set up by refugees already in the North.
 - Of these,
 - 10 were spin-offs from or foundations by existing refugee firms (II/a)
 - 4 were new starts by sons of refugee manufacturers (II/b)
 - 1 firm moved to the north from another part of Britain (II/c)
 - 8 firms were set up in the North under Special Areas facilities (II/d)
- 23

Founders without Previous Manufacturing Experience

The founders of 20 surviving firms had not been in manufacturing business on their own account or connected with family firms before arriving in Britain. Of these, 4 were sons of refugee manufacturers. Although the analysis in the indices does not indicate it, we know from the case histories that 6 others were young people on arrival in Britain, who became spin-offs from refugee firms in the North.

The remaining 10 founders without manufacturing experience were in a profession, or in business or in neither. It is noteworthy, that the founders of two of the three largest employers (Marchon and Kangol) had no manufacturing experience on their own account before arrival.

Size of Firms, by Employment

Of the 54 firms surviving on 1 November 1974

1	(1.85%)	employed between	5 - 10
4	(7.41%)	" "	11 - 50
13	(24.10%)	" "	51 - 100
16	(29.63%)	" "	101 - 200
34	63 %		
11	(20.37%)	" "	201 - 500
6	(11.12%)	" "	501 - 1,000
3	(5.56%)	" over	1,000
54	100%		

The Report of the Committee of Enquiry on Small Firms ¹⁾ (Bolton Report) defined small manufacturing firms as those employing 200 people or less. Our analysis shows that, by this definition, 34 firms (63%) of refugee manufacturing ventures in the North and surviving on the 1 November 1974 were small firms.

The Bolton Committee found, however, that the average employment in small manufacturing firms in Britain was only 25 . The average employment of the 34 small firms in our case histories was 109 .

Of the 20 firms employing more than 200 people, exactly one half were pre-War foundations.

No meaningful results can be obtained by comparing the average employment in firms founded before and after 1940, because the pre-1940 foundations include the three largest firms, which employ almost one third of all the people in refugee industries in the North.

Type of Industries set up by Refugees

Except for the chemical industry in West Cumberland, our case histories show that the refugee firms established in the North were in light industries. Those set up before the War began life with very small resources indeed. So small, that it is difficult to understand how they survived and prospered. They clearly depended on skills, on the knowledge of a specialised market or product and on sales ability. All these attributes, however, would have been of little avail had it not been for the tenacity and the ability to improvise displayed by the founders.

With one or two exceptions, the industries set up before the War were not in any advanced technologies, but in relatively ordinary products which happened not to have been manufactured or readily available in Britain.

When we consider the post-War foundations, a somewhat different picture emerges: While clothing and hosiery manufacture still represented a considerable part of the new starts, some new concerns now appeared to be both more capital-intensive and in more advanced technologies like chemicals, electro-chemical engineering, electronics and plastics. In the case of other new starts, new markets were recognised for the products of more traditional industries, for example in paper converting.

When the Trading Estates were established, it was expected that many, if not most, of the new factories would produce goods for local consumption, i.e. goods which were, until then, imported into the region. This was seen as an essential part of the strategy for improving the economic strength of the Special Areas. ²⁾ We know from an analysis of goods produced on Trading Estates that this did not, in the event, occur in more than a small number of cases. It certainly did not apply to more than one or two refugee firms. Their products were specialised and, therefore, found a national rather than a local market, and most firms developed an export market. Goods made for national retailers like Woolworth and Marks and Spencer found their way back to the region, but only in a single case we have studied, - a firm of cardboard box makers - did we note the intention to serve mainly the local market.

Previous waves of refugees brought with them a limited range of new crafts or skills, which were usually in the areas of basic demands: The making of cloth - by Flemish and Huguenot refugees -, the making of clothes, caps and furniture - by Jewish refugees in the late 19th century.

The refugee industries established in the North, and indeed in other parts of the country, covered a wide field of specialised industries, as the table at the end of this chapter indicates. The basic demands could perhaps now be satisfied only by large, often capital-intensive industries, except for some specialities.

Criteria for measuring the Success of the Refugee Settlement

We do not know what the Authorities who encouraged the establishment of refugee industries in the North expected, if indeed they ever considered this question in any depth. We will attempt to arrive at some conclusions on the success or otherwise of this settlement and we propose to use and examine the following yardsticks:

Employment

The employment created by a relatively small number of founders - with little capital - appears to be a considerable achievement. The size of firms created in the majority of cases was of the kind of which the North had too

few in comparison with the national average.

Many new skills were introduced and the training problems were solved. In the course of this, the adaptability of labour in the Special Areas of the North was demonstrated, particularly that of men coming from entirely different industries and trades. The ability of women and girls - most of whom entered industrial employment for the first time - to learn industrial skills was specially mentioned by some of our firms.

Refugee firms created a range of new managerial employment opportunities, and as this kind of employment was difficult to obtain in the pre-1937 economy of the North, this was a desirable development. Furthermore, it seems that a fairly large proportion of refugee firms engaged in activities which are usually described as Research and Development. Unlike branch factories - which form the major part of new post-War industry in the North - refugee firms carried on most of these activities 'in house' and so created professional and technical positions.

Type of Employment created; Cross Check on total Employment

We were interested to find out the ratio of skilled to unskilled employment, and - because of some early doubts about the relevance of refugee industries - the ratio of male to female employment.

The Department of Employment receives quarterly returns under the Statistics of Trade Act 1947 - the so-called 'L' return - from all manufacturers employing more than 5 people. This return distinguishes between male and female, but not between skilled and unskilled employment, except for a few categories of engineering workers. It appears that there is no general record from which information on skilled and unskilled employment may be obtained.

The 'L' return is also supplied to the Department of Industry. The Department was unable, for reasons of confidentiality, to provide either the employment figures or the ratios of male to female employment for individual firms, but it offered to give us the total employment and the overall ratio for all the firms in our case histories. The former would be an excellent check against the figures we obtained from the firms themselves.

We submitted a numbered list of the firms in our case histories to the Department of Industry, and in order not to miss any data, we showed subsidiaries separately. For this reason, more firms were involved than appear separately as case histories and the numbering of the list we submitted does not correspond to the numbering in the alphabetical and classified indices on pages 183, 184 and 294. This must be borne in mind when reading the reply by the Department of Industry of 1 November 1977, reproduced in Appendix 30.

We have analysed the employment of the firms for which the Department

was unable to find any employment figures:

Of the 9 firms, 4 were subsidiaries which we showed separately in our enquiry to the Department, but not in our case histories. Their employment is covered, therefore, in the Department's figures under the name of the parent company.

Of the remaining 5 firms, 1 employed only 5 people, 4 are owned by major groups. Their employment is almost certainly recorded under the names of other companies than those we gave to the Department.

According to our case histories, these 5 firms have a total employment of 525 people.

On the other hand, we gave the name of one firm to the Department, (Northern Clothing Company Ltd, Shildon) which we have since decided not to include in our list of refugee foundations. As we understand that this firm employed 275 people in 1974, the adjustment to the Department's figure must, therefore, be $525 - 275$, i.e. 250

According to the Department of Industry (see Appendix 30),
the total employment by the refugee firms in our list on 1 November 1977
 was 16,000

Making the adjustment referred to above, 250
 we obtain a corrected total of 16,250

This compares with our findings of 16,932
 a difference of 682 in 16,250, i.e. 4.2%

Considering that the figures were obtained in different ways, this must be considered a good correlation. The Department used its records of employment declared at the time, while we had to rely on estimates for the year 1974 by the firms concerned, usually without any reference to records.

The overall ratio of male to female employment on 1 November 1974
 was given by the Department of Industry as 1.2 : 1

Of the 525 people employed in firms for which the Department could not find any employment figures, 275 were employed in chemical and in building material companies and 250 in glove making. If we assume that all employment in the former group was male and in the latter female, the ratio given by the Department is not affected. If we further correct for the inclusion of a mainly female-employing firm which we decided to omit, we can say that the ratio given by the Department of Industry should be slightly more in favour of males.

The fact that industries established by refugees employed slightly more males than females in 1974 caused us considerable surprise. We would have expected somewhat more female than male employment, because of the nature

of many of the industries involved.

The result is particularly interesting because of the opposition to light industries in the North voiced before, and to a lesser extent, after the War, on the grounds that such industries would not contribute to the solution of the main problem: Male unemployment.

It is likely, however, that the ratio for the year 1940 would have shown a different picture for two main reasons:

We have already observed that a good proportion of the post-1940 ventures were in more sophisticated industries than those set up before 1940 and we expected their male/female employment ratio to be higher than for the pre-War industries.

But even in the traditionally female-employing industries, there appears to have been a shift towards more male employment as these industries have become more technically based. This impression seems to be confirmed by the fact that, according to the Department of Industry (personal discussion), the unexpectedly high ratio of male / female employment applies to light industry in general, although we know that there has been a large expansion in the North of traditionally female-employing industries like clothing manufacture.

Stability

Most of the refugee firms which survived internment, War conditions, removal or close-down after acquisition by larger groups, were still in existence in the North on 1 November 1974.

This means that the majority of refugee firms established before the War had been in existence, up to our key date, for at least 35 years.

This must be considered a good record of stability.

An analysis of both pre-War and post-1940 foundations no longer in existence in the North on our key date shows that

- 3 firms failed in the ordinary course of business
- 5 firms closed because of Internment or War conditions
- 2 firms transferred to other parts of the country
- 7 firms were closed down or removed after acquisition
- 5 firms are no longer in existence for a variety of reasons, including owners' retirement, conversion to trader, etc.
- This category also includes one or two firms on which we
- 22 have insufficient information.

(This analysis has been extracted from the alphabetical and keyed index on page 336 .)

We note that out of a total of 76 (pre and post-War) refugee firms, only 3 failed in the ordinary course of business.

Of the 44 pre-1940 starts, 31 were still in existence on the 1 November 1974.

Of the 32 post-1940 starts, 23 were still in existence on the 1 November 1974.

Of the 22 firms no longer in existence, 9 were post-1940 starts.

Loyalty to Region

While there has been a large influx of light industry into the Special Areas of the North since the War, the majority of enterprises new to the region have been branch factories of national or international concerns. Their record of stability has, on the whole, been good, but there remains some doubt about their permanent location in the region, particularly in periods of economic recession, i.e. precisely when they are most needed. But even if they were stable, there are certain disadvantages in an over-representation of branch factories which we will not rehearse here.

The analysis in the previous section shows that only 2 refugee firms which started their existence in the North transferred to other parts of the country of their own accord. Both were post-1940 ventures. Closure or removal after acquisition is a problem, from the region's point of view, which applies to all industry.

New Industries

The table at the end of this chapter shows the range of products made by refugee industries in the North. It shows the wide variety of goods made by them. Almost all of them were new to the North, some of them new to Britain. Except for the chemical industry in West Cumberland, all of them operated in light industries. They contributed, therefore, to the diversification of the industrial base of the Special Areas of the North.

The chemical industry in West Cumberland established by refugees - originally as a light industry - made a considerable contribution to the diversification of industry in that part of the North. It made a novel use of a local raw material and it revived the use of the port of Whitehaven. It employs a considerable part of the entire labour force of the Whitehaven area.

Exports

Most of the firms we have studied have some export business, some of

them a high percentage. A few firms produce goods which at one time were partly or wholly imported.

Refugee firms received 5 Queen's Awards to Industry for exports up to our key date, but we are aware that additional Awards have been won since then.

The number of such Awards is higher than one would expect from a random sample of the same number of British companies as a whole.

Founders or members of their families appeared in the Honours Lists on 6 occasions. The Honours included two Knighthoods, one CBE, one OBE and two MBEs. Apart from the Knighthoods, the other awards appear all to have been gained for export achievements.

Measuring the Success of the Refugee Settlement: Conclusion

If our criteria are meaningful, it appears to us that the settlement of refugee industries in the North has been successful from the point of view of the region.

Choice of Location

As we have seen, the choice of location for refugee ventures founded before the War was restricted, in practice, to one of the Special Areas. Not only was it relatively much easier to obtain permission to settle in Britain after agreeing to set up in one of the Areas, but by 1937 the first factories were available for rent on Trading Estates and elsewhere. Furthermore, there existed a range of sources of financial assistance and other inducements.

What we have to examine is why the firms we have studied chose the Special Areas of the North rather than those of Wales or Scotland.

Objective factors appear to have played a part: In the North East, the availability of a suitable raw material (sand), the nearness of the Scandinavian markets and financial backing from local interests were reasons given to us for the choice.

Non-objective factors, however, seem to have played a much bigger role: The prior settlement of friends or relations, the presence of a sizeable Jewish community and of religious institutions - particularly the existence at Gateshead of an institute of Jewish Studies - , the personalities and the salesmanship of the secretary of the Tyneside Industrial Development Board and of the Sales Manager and other officers of North Eastern Trading Estates Ltd, or simply chance.

In West Cumberland, we know of only one case among the early arrivals where an objective factor has operated: The suitability of the local water persuaded the founders of a tannery to set up at Millom.

Again, the personalities of the officers of the development organisations seem to have played a major, non-objective part.

Later, however, the remoteness from London and the absence of any large towns which might become targets for enemy aircraft in time of war, became factors in the choice of location, and the prior settlement of friends or relations again played a part, both before and after the War. The founders of a number of surviving firms came from Kosice, a town in that part of Slovakia which was part of Hungary before 1919 and again after 1938.

Given, in addition, that communications in parts of the North East were not good, - for example in South West Durham -, and less than adequate in West Cumberland, we must conclude that objective factors have not played a major role in the choice of the North.

The choice of location of some of the post-War refugee firms was based on considerations which applied to British or foreign industries in general and which require no examination in the context of this enquiry.

Suitability of Location

It is tempting to speculate on the suitability of location of refugee industries which were established before the War and were persuaded by the Home Office and other Departments of State to set up in the North.

We know that before the policy of exerting pressure on refugees was adopted in the summer of 1936, most of them expressed a preference for the Greater London Area - for reasons which the Board of Trade did not consider unreasonable. (see p. 127.) What is certain is that very few refugee industries established before 1937 were located in Special Areas and we have not come across a single firm in the North.

For the majority of firms, the pressure exerted on them forced them to choose between four locations (South Wales, South-West Scotland, West Cumberland and North East Coast) of almost equal unsuitability, even if these Areas had some advantages: These included lower wage rates, a generally lower cost of living and the availability of factories to rent.

Refugee industries might well have grown faster and to a greater importance in the London area and in some other places. Nevertheless, they prospered, - reasonably in most cases and outstandingly in a few - in spite of their location, to which they adapted from the beginning of their ventures.

From the standpoint of the national economy, it might well be that reasonably successful and stable businesses in those parts of the country

where they are badly needed are of greater importance than outstandingly successful firms in London and in a few other places. If this proposition is accepted, we must conclude that Government policies were more far-sighted than appeared at the time they were formulated.

Location became less important as firms became established and as communications improved - after the War -, but by this time the founders, who bore the early inconveniences of a location which was less than ideal, had either died or retired.

The War itself made a location in the North - particularly in West Cumberland - very desirable, because the disruption, danger and stress caused by the bombing of London and other large centres was, in the main, avoided.

Changes of Location within the Areas

There has been some shift in the location of pre-War refugee firms within the Areas of the North, particularly on Tyneside, or more precisely, away from Team Valley.

The general requisitioning of factories during the War affected all firms whose products were not of national importance. A number of refugee firms were in this category and lost their factories, in many cases during the absence of the founders in Internment. Most of them found some accommodation elsewhere on Tyneside - even if such accommodation was at first much less satisfactory - and never returned to ' the Valley '.

Others moved away from Team Valley after the War. One of the reasons given for such moves was the high cost of space - in comparison with the artificially low rents offered at the beginning - once the leases had run out. More often, the real reason for their removal was the shortage of female labour. Industries employing such labour had built up to such an extent after the War that the required numbers could no longer be found locally. Refugee firms, both pre and post-War starts, moved to other parts of Tyneside in an effort to find localities where competition for female labour was less severe.

One or two firms required more specialised buildings than were available on Trading Estates and built their own factories in places where the local authorities offered favourable conditions. A firm handling highly inflammable raw materials (see case history No. 29) was among this category of firms which moved away from Team Valley.

The geographical pattern of the settlement of refugee firms on Tyneside, the major settlement, has, therefore, altered. Originally centred on Team Valley, refugee firms of pre-War foundation are now located all over Tyneside.

Those which have started since the end of the War are located, with a few exceptions at Team Valley, on the many new sites which have been developed since then in accordance with general regional policies and needs.

The firms which had settled in ' Commissioner's ' factories in the smaller places in the North East before the War appear to have retained their original location, even where their factories were requisitioned during the War. Thus we find that all the refugee firms in West Auckland and in West Chirton are still in their original factories, or in extended buildings on the same sites. The reasons for this appear to be generally lower rents, fewer alternative locations in the vicinity and less competition for labour.

In West Cumberland, requisitioning of factories during the War affected refugee firms only marginally, because most of them did essential work, and we understand from the Estates Corporation that none of them had to find alternative accomodation. ³⁾ When short of labour after the War, a few firms set up small work units in places where there was some available labour, but they did not remove their main factories.

Origin of Refugee Industries in the North

We have noted that the overwhelming majority of refugee industries in the North East originated from Germany, while about half the founders of the surviving firms in West Cumberland came from Hungary, or at least from those parts of Czechoslovakia which were annexed by Hungary in 1938.

We find it difficult to explain this marked difference in origin, because we know that the Development Organisations in both parts of the region made efforts to attract industries from all countries in Europe from which refugees came.

The North East attracted a number of Polish, Hungarian and Czech firms (including a most important Czech firm), while there were one or two German and Austrian firms (the Austrian firm being the largest refugee venture in the North) in West Cumberland, but the difference is, nevertheless, notable.

We have not investigated the reason for this difference between the East and West of the region, which may be due to chance or, at least, to non-industrial factors.

Importance of Refugee Industries in the North

The relative importance of refugee industries on the North East Coast and in West Cumberland can best be illustrated by reference to the unemployment in the two parts of the region at the end of 1934, i.e. at a time when

the business recession was over and when the North was left with a huge structural problem:

	Unemployment in 1934 (A)	Employment by refugee firms in 1974 (B)	$\frac{B}{A} \times 100\%$
* Durham and Tyneside	176,862	10,552	5.96%
* West Cumberland	13,530	6,380	47.15%
Region	190,392	16,932	8.89%

* Source: CSAEW: , 1st Report, Cmd 4957 , London, HMSO, 1935, p.94, App.1
The figures refer to 26 November 1934

We see, therefore, that refugee industries were relatively much more important in West Cumberland than on the North East coast as a whole, although their importance in some districts in the North East, for example in South West Durham, was relatively greater than the overall figure for the North East suggests.

We have not felt it important to investigate the total sales of the firms we have studied and have accepted the approximate figures which were given to us. Some firms were unwilling to release their sales figures.

We estimate that total sales by refugee firms in the North in 1974 were between £ 140 and 150 million.

Similarly, we have insufficient information on the total value of exports, but we believe that £ 40 - 50 million is a reasonable guess. £ 20 million is attributable to a single firm: Marchon Products Ltd.

Spin - Off

Dennison has claimed that the newer industries are more likely to produce ' metabolism ' - we now call it spin-off - than the traditional, interlinked industries in the formerly depressed areas.

It did not occur to us until we had studied more than half the firms forming the subject of our case histories that it might be instructive to test this claim in the case of the new industries founded by refugees.

Although we asked less than half the firms in our study, we obtained quite a few examples. The information cannot, however, be considered complete, even for the firms we asked. Founders might well have been able to give us more comprehensive information, because they were often in closer contact with their employees than those who followed them. Their successors, whether family or managers of new owners, seemed, in the main, to know only

the more significant spin-offs, if they were aware of them at all.

The fact that we were able to quote a relatively larger number of spin-offs from the firm of which we were the principal founder has two causes: The electronics and instrument industries exhibited a high degree of spin-off everywhere in the world since the last War. Furthermore, we have taken an interest in the enterprise shown by former employees. But even in our own case, the information is unlikely to be complete.

It is a fairly general experience that small firms generate relatively more spin-off than large ones, - two of the three largest refugee firms in our study could not quote any spin-offs -. This may be because the leadership displayed by the founder is 'catching', or at least, is seen capable of emulation. The small means available to most refugee industrialists and the high degree of improvisation they were forced to adopt in order to survive in the early stages may have played a particularly instructive role.

Whatever the reasons, the examples we have been able to quote seem to confirm Dennison's conclusions that areas containing the newer industries experience " a continuous process of the emergence of new forms of economic activity. " 4)

Outlook

The importance of refugee industries in the Special Areas of England, Scotland and Wales is now much less in relation to such industries in Britain as a whole than in 1939. In February of that year, the Home Secretary said that two out of three refugee manufacturing firms in Britain were located in the Special Areas. 5)

In spite of the post-War 'stick and carrot' policies of successive Governments, the vast majority of refugee-founded manufacturing firms in Britain are now located outside the Special Areas. It is doubtful whether more than 15% of the employment created by refugees in the manufacturing sector in Britain are now located in the Special Areas, and the share of the North is unlikely to be more than 5% of the national total of such employment, and probably a good deal less. It is exactly for this reason that it has been possible to compile a complete record of refugee firms in the North. It would appear feasible to produce a similar record for the Special Areas of Scotland and Wales and this, in turn, may lay the foundations for a national record.

Successful small and medium-sized refugee firms, or even the larger or large ones, were not excluded from the trend of acquisition by larger groups. The death of the founder, lack of growth capital, estate duty prospects and the

general problems of carrying on manufacturing business since the middle of the 1960s were some of the reasons for the sale of refugee firms.

As our alphabetical and classified indices show, 33 out of the 54 surviving firms in our study have been acquired, with one or two exceptions, by larger groups.

Only a few refugee firms depended on a local market or on local raw materials, and even fewer had the kind of plant which might be considered immovable. There was always the risk, therefore, that refugee firms might be moved away from the Areas after acquisition, particularly because the base of most new owners was outside the region.

The favourable grant and tax policies in the Special Areas have so far prevented the widespread removal of refugee firms by their new owners. In some cases, the special skills acquired by the work force over many years has been a stabilising factor. But the possibility of removal is always there, particularly in times of economic difficulties. One or two firms have, in fact, been moved away by their new owners in the cause of rationalisation of production and overheads since we started this enquiry, i.e. since 1 November 1974.

On the other hand, we have been told of cases where the new owners are making substantial investments in the acquired firms. It is impossible to evaluate, whether the factors making for removal or for increased investment are more important at this time.

Those refugees who arrived as children before the War are now reaching an age where new starts are increasingly less likely and, with the possibility of starting factories of small size almost anywhere in the country, we can say that the peak in the number of refugee firms in the Special Areas of the North was probably in the middle of the 1960s and that the number of firms founded by refugees in the Areas will inevitably decline.

In the short run, - given a return to economic expansion - , such a decline may be compensated for by a continuing growth in the employment provided in the remaining firms in the Areas, but in the longer run, the contribution by refugee-founded industries to the solution of the structural problems of the Special Areas of the North will decline.

Although we have not investigated any refugee industries founded after 1961, we have a general impression that the numbers involved in the Special Areas of the North are small.

Types of Industries established by Refugees in the
Special Areas of the North, 1937 - 1961

Adhesives	Knitwear
Boilers and Radiators	Leather Goods
Brushes and Artists' Brushes	Leather Tanning
Building Materials	Mechanical Handling
Buttons and Dress Ornaments	Millinery
Car Accessories	Packing Materials
Chemicals, Fine	Paper Converters
Chemicals, Industrial	Plastics, Converters
Clothing	Plastics, Foam
Curled Hair	Plastics, Manufacturers
Electrical Accessories	Pumps
Electro-chemical Engineering	Safety Belts and Helmets
Electronic Controls	Scientific Instruments
Fabric and Cloth	Slag and Scrap Recovery
Foodstuffs	Small Metal Ware
Footwear	Spectacle Frames
Furniture	Sports Goods
Gifts and Novelties	Sports Wear
Gloves	Toys and Fancy Goods
Hosiery	

This list refers to surviving firms only.

References : Chapter 6

1. Report of the Committee of Enquiry on Small Firms, Small Firms, Cmd 4811, London, HMSO, 1971, p.3
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3. Information provided by J. McBain, Manager, Cumbria Office, English Industrial Estates Corporation
4. Dennison, S.R., The Location of Industry in the Depressed Areas, London, Oxford University Press, 1939, p.95
5. Speech by the Home Secretary, Sir Samuel Hoare, to the Society for the Protection of Science and Learning, 'Refugees: Their Contribution to English National Life', 6 February 1939, at University College, London, Wiener Library, London

CHAPTER 7 : THE CASE HISTORIES

Classification

The case histories of surviving firms are divided into those on the North East coast and those in West Cumberland. They are presented in alphabetical order within this division, but numbered continuously. In addition, they carry references in accordance with the following categories:

I. Industries started by refugees up to 1940

there are sub-divisions between

- a. those which were set up by refugees on their own
- b. those which were set up by refugees in partnership with local interests
- c. those which were originally started in London but moved to the North before 1940

Where refugee ventures resulted from a split between two partners who had set up a firm under the main category, we have classified them under this category, even if the resulting additional firm was set up after 1940.

II. Industries started by refugees after the War, or at least after 1940

there are sub-divisions between

- a. spin-offs from existing refugee firms in the North, with or without the participation of the existing firms, but excluding new starts by sons of refugee manufacturers
- b. new starts by sons of refugee manufacturers
- c. firms which were established elsewhere in Britain and moved to the North
- d. refugee firms established in the North because of Special Area facilities; other factors, like the presence of families or friends may have played a part in the choice of location

We have not, in this main category, distinguished between those who set up firms of their own or with local or national interests.

In addition, we have marked those firms whose principal founder or founders had been associated with their own manufacturing businesses on the Continent (although not necessarily in the same line as in Britain) with an M , and those firms which were acquired or had become Public Companies with an A .

Example of Case History Reference

Case history reference 31.A/ I/a/M means that the firm is number 31 in our case histories, that it was set up before 1940, that the founders had their own manufacturing business on the Continent, that it was set up without participation by local interests and that the firm has been acquired.

The case histories of surviving firms are followed by brief notes on those firms founded by refugees which were no longer in existence in the Special Areas of the North on 1 November 1974. Again, they are subdivided between those on the North East coast and those in West Cumberland, presented in alphabetical order within these areas and numbered continuously. The index of these firms is provided with a key showing the reason for their disappearance from the North, and with an asterisk indicating the post-1940 foundations.

General Arrangement of Case Histories

The first part of the case histories is uniform for all of them. It contains factual information, so far as this was obtainable.

The next section contains the background of the founder(s) and of their activities on the Continent, where this applies.

This is followed by a brief history of the firm since its foundation, including any special features, markets, achievements etc.

The length of the case histories is not related to the importance or size of their subjects, but rather to the information obtainable. Where the founders have died, or where their families are no longer connected with firms, the information is often rather limited, however important the firm.

On the other hand, we have made no attempt to reduce the information given to us from whatever source, even where small firms were involved. We felt that any such information would add something to the general picture.

Changes in Firms' Names, Subsidiaries & Associates, Present Ownership

Where the original name of a firm has been changed since its foundation, we have always used the original name, followed by the present name in brackets. In this way, future students will be able to trace such firms more easily.

Where a firm has one main subsidiary, we have put this underneath the name of the firm. Where there are a number of subsidiaries or associates, we have recorded them either in the body of the text or at the end of a case history, if we have been given the information. We have made no effort to obtain comprehensive information on the structure of firms.

So far as present ownership is concerned, we ignored the key date. We have given the ownership at the time we interviewed the firm or its founders or families.

Accuracy of Information presented

In almost all cases of firms still in existence on 1 November 1974, we obtained our information by personal interview. We talked with founders where they were still alive, with members of their families, former associates or long-serving senior employees, where they were not. In a few cases we had to rely on managers of successor firms to provide some or all of the information. In a number of cases, our enquiries had to be made in London and other parts of the country.

Wherever possible, we had the case histories checked by those who gave the information. In this way, errors or misunderstandings were corrected, so that we are entitled to claim a high degree of accuracy.

In the case of firms no longer in existence on our key date, we have not made any exhaustive efforts to trace founders or their families and associates, and we relied on information from a variety of sources. We are not, therefore, claiming the same degree of accuracy as in the category of firms still existing.

A number of founders or their remaining close relatives died while this study was proceeding and before we had the opportunity to interview them.

Spin - Off

We had some difficulty in deciding which new starts should be included in spin-offs. Clearly, employees who left a refugee firm and immediately set up a business of their own in a field related to the training they received or the experience they gained must be considered spin-offs. A more difficult problem arises when an employee leaves a firm and works elsewhere before setting up his own venture.

In the end, we decided to include all those who had worked at some stage with a refugee firm we have studied. We took the view that the general air of enterprise contributed to the decision even by those who may have had a relatively brief contact with the firm concerned. In any case, the majority of spin-offs on which we obtained information, i.e. those arising from about half the firms we studied, fall into the fully-justifiable class.

We have discerned 4 categories of spin offs:

- 1) firms founded by refugees who left the employment of a refugee firm in the North
- 2) firms founded by local people working at some stage for a refugee firm
- 3) firms resulting when partners in a refugee firm separated.

We have found 4 such firms, of which 3 were splits from pre-1940 refugee ventures

- 4) firms founded by sons of refugee manufacturers

might be considered as spin-offs, particularly if they engaged in the same or in related industries as their fathers. Except in one case, where father and son separated many years after founding a firm together, we have not done this. The ventures of the sons are, in any case, covered by their own case histories.

In considering spin-offs, we have ignored

- a) our key date, i.e. we have recorded spin-offs on which we obtained information without any reference to their date of formation, partly because this information was in most cases difficult to obtain
- b) the possible demise of such spin-offs, except in a few cases where we had personal knowledge.
- c) we have not distinguished between spin-offs in the North and elsewhere in the country.

ALPHABETICAL AND CLASSIFIED INDEXFirms still in existence on 1 November 1974North East

<u>Case History Ref.</u>	<u>Name of Firm and Product</u>	<u>Employment</u>
1. A/ I/c/M	<u>Alligator Leather Goods Co.Ltd</u> Handbags, Travel Goods	125
2. A/ I/a/M	<u>Alsco Cardboard Boxes Ltd</u> Cardboard Boxes	44
3. A/II/d/M	<u>Arosa Hosiery Ltd</u> Knitwear	400
4. I/a/M	<u>Julius Bernet Ltd</u> Souvenir Dolls	60
5. A/ I/a/M	<u>Builders' Chemicals Ltd</u> Mortar and Cement Additives	5
6. A/ I/a/M	<u>Burrell & Maurice Ltd</u> Quilts, Bedding, Sports Goods	450
7. A/ I/a	<u>Castlecrafts Ltd</u> Toilet Bags, Dress Accessories	150
8. A/II/d	<u>Chemical Compounds Ltd</u> Fine Organic Chemicals	110
9. A/II/d/M	<u>Commercial Plastics Ltd</u> P.V.C. Fabricators	950
10. I/a/M	<u>Distinctive Clothing Co. Ltd</u> Boys' School Wear	120
11. A/II/c/M	<u>Dukes & Markus Ltd</u> Ladies' Fashions	820
12. A/II/a	<u>Durworth Ltd</u> Men's and Boys' Outer Wear	100
13. I/c	<u>Ernest & Henry Ltd</u> Buttons, Buckles & Dress Ornaments	200
14. II/a	<u>General Foam Products Ltd</u> Foam Cushioning from Plastic Waste	370
15. A/ I/a/M	<u>Great Northern Knitwear Ltd</u> Outer Knitwear for Men	100
16. II/a	<u>Heaton Paper Co. Ltd</u> Paper & Plastic Novelties	100
17. I/a/M	<u>F. Heller & Co. Ltd</u> Boys' Sports Wear	100
18. A/II/b	<u>Joyce, Loebl & Co. Ltd</u> Scientific Instruments, Electronic Controls	600
19. A/II/b	<u>L.C. (Taylorwear) Ltd</u> Girls' Outer Wear	200
20. II/a/M	<u>Lestawear Ltd</u> Tartan Kilts	50
21. A/ I/a/M	<u>Lime Sand Mortar Ltd</u> Ready Mixed Mortar	60

<u>Case History Ref.</u>	<u>Name of Firm and Product</u>	<u>Employment</u>
22. I/a/M	<u>Lion Brush Works Ltd</u> Artists' & Cosmetic Brushes	190
23. I/a/M	<u>Loblite Ltd</u> Electrical Accessories & Small Metal Ware	65
24. A/II/a	<u>Matador Paper Mills Ltd</u> Fancy & Industrial Papers, Toilet Rolls	550
25. A/ I/b/M	<u>Metal Paper Works Ltd</u> Metallised Paper	18
26. I/b/M	<u>Thomas Mouget & Co.Ltd</u> Slag & Scrap Recovery in Steel Industry	200
27. II/a	<u>Neolith Ltd</u> Wood Wool Slabs, Building Components	150
28. II/b	<u>North Eastern Clothing Co.Ltd</u> Ladies' Outer Wear	200
29. II/a/M	<u>Plus Products Ltd</u> Adhesives & Sealing Compounds	100
30. A/II/d	<u>Rema Ltd</u> Fabric Gloves	250
31. A/ I/a/M	<u>Sigmund Pumps (G.B.) Ltd</u> Pumps & Heating Systems	1830
32. A/II/d	<u>Stella Building Products Ltd</u> Wood Wool Slabs	100
33. I/a/M	<u>Team Valley Brush Co.Ltd</u> Artists' Brushes	200
34. A/ I/a	<u>Team Valley Weaving Industries Ltd</u> Furnishing Fabrics	160
35. I/a/M	<u>Toilet Goods Mfg. Co. Ltd</u> Sports Bags, Childrens' Toy Items	100
36. I/a/M	<u>Torday Ltd</u> Electrochemical & Mechanical Engineers	300
37. A/ I/a/M	<u>Tyne Chemical Co.Ltd</u> Etched Aluminium Foil, Aluminium Anodising	150
38. II/b	<u>Tyne Textiles Ltd</u> Casual & Sports Wear	300
39. I/b/M	<u>Tyne Truck & Trolley Co.Ltd</u> Mechanical Handling Devices	25
40. A/ I/a/M	<u>West Auckland Clothing Co.Ltd</u> Women's and Girls' Outer Wear	550

Case History Reference: 1. A/ I/c/M

Firm: ALLIGATOR LEATHER GOODS COMPANY LTD

Address: St. Helen's Auckland Trading Estate
West Auckland, County Durham

Founder(s): The Schmidt (Smith) family

Founder(s)' Capital: Not known, probably small

Year of Foundation: 1932 (in London), 1938 in the North

Product(s): Handbags and Travel Goods

Employment on the 1.11.1974: 125

Volume of Sales in 1974: Not made available

Exports in 1974: " " "

Last - known Ownership: T.T. Leather Goods Ltd

Source of Information: Mr. H.S. Rollman, a former Director

Were similar Products made or
sold in country of origin? Yes

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation: Expansion problems in London and
financial assistance in the North

Post - 1940 Foundation:

For Pre-War Foundations only

Contact with Special Area
Development Organisation: Almost certainly

Assistance from Special Area
Financial Sources: Believed to have been substantial.
Nuffield Trust and probably S.A.R.A.

Documents Available: None

Alligator Leather Goods Co. Ltd

The brothers Adolph (born in 1885 (and Nathan (born in the early 1880's) Schmidt founded A.N. Schmidt & Co. at Offenbach, the centre of the German leather goods industry before the first world War. The firm produced handbags and travel goods in the medium quality range and became a well-known and substantial name in that trade.

After the first world War, the firm opened retail shops in six of the main cities in Germany, trading under the name 'Alligator'. In 1932, another chain of retail shops under the name '5 PS' (5 price ranges) was opened.

A nephew of the brothers Schmidt, Fritz Schmidt (Fred Smith) moved to London to act as an agent in Britain. By 1932, however, it was decided that the high import duties on leather goods made it desirable to manufacture in Britain. The company was founded in that year and took over small premises in Old Ford, London. H.S. Rollman, who had worked in the German company since 1918, joined F. Smith in London, as did S. Wettermann, another member of the Offenbach team.

Under Nazi pressure, the brothers Schmidt were forced to sell their business in Germany and, together with Nathan's son Henry and nephews Arthur Schmidt and Sidney Amerikaner, they arrived in Britain in the spring of 1938.

Because the small London premises could not be expanded, and because of the financial assistance available in the Special Areas - a matter of importance to them, as they arrived with very small resources - , negotiations started with the Commissioners for the Special Areas and with the Special Areas financial support agencies. After inspecting a number of sites, it was decided to come to Bishop Auckland, where 4 factories were being planned by North Eastern Trading Estates Ltd for the Commissioner. Alligator occupied the first of these and started production of handbags in August 1938.

The firm brought with them 20 of its skilled workers from London. Houses were built for them by the local council near the factory. Few of these workers stayed more than a short time in the North East.

Before opening its factory, the firm set up a training centre at Bishop Auckland.

H. S. Rollman recalls that the economic situation was so difficult in 1938, that half the shops in High Street, Bishop Auckland, appeared to be unoccupied.

The firm got off to a good start, but on 19 November 1938, the factory and most of the plant was destroyed by fire. Temporary premises were taken x at Team Valley Trading Estate, Gateshead, and workers and staff were transported daily to and from Gateshead. The fire also damaged the adjoining factory of another refugee firm, Ernest & Henry Ltd (see case history no.13).

The firm moved back into its own factory at St. Helen's

Auckland in May 1939.

In 1939, retail shops were established trading under the style of SS Handbags. The number of these shops grew to 13 after the War, which were located mainly in the North of England.

During the War, the factory was requisitioned for defence purposes and the firm moved, once more, - this time to the Old Billiards Hall at Bishop Auckland. Internment did not affect the firm seriously, because both Mr. Rollman and Mr. F. Smith had acquired British nationality just before the War. The rest of the family, however, was interned for some months.

The War saw a change of production to military items such as uniform, ammunition and rifle belts. Production was also carried out on behalf of three other leather goods manufacturers under the concentration-of-industry scheme.

After the War, the firm moved back to its premises at St. Helen's Auckland. Production of handbags was resumed and soft luggage was introduced. A successful export trade to Scandinavia was developed.

Adolph Schmidt, the younger brother, died suddenly in 1952, aged 67, and Nathan Schmidt died in the late 1960's. On his death, his son Henry Smith MBE became managing director, and nephew Arthur Smith financial director. The SS Handbag shops were gradually sold off in the 1960's.

Fred Smith and Sydney Amerikaner, who had managed the shops, retired in 1966, Arthur Smith in 1967. H.P. Rollman, who was the only director who was not a member of the family retired in 1968 and Henry Smith MBE in 1973. On his retirement, the firm was acquired by its present owners.

Since the death or retirement of the family and of H.R. Rollman, the firm, which at one time employed 300 people, declined in importance.

Case History Reference: 2. A/ I/a/M

Firm: ALSCO CARDBOARD BOXES LTD

Address: Kingsway, Team Valley Trading Estate
Gateshead, 11, Tyne & Wear

Founder(s): William M. Alberti

Founder(s)' Capital: £ 1,000

Year of Foundation: 1939

Product(s): Cardboard Boxes

Employment on the 1.11.1974: 44

Volume of Sales in 1974: Not made available

Exports in 1974: None

Last - known Ownership: Reed Paper Group

Source of Information: Founder

Were similar Products made or
sold in country of origin? Yes

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation: Private Introduction to North Eastern
Trading Estates Ltd

Post - 1940 Foundation:

For Pre-War Foundations only

Contact with Special Area
Development Organisation: No

Assistance from Special Area
Financial Sources: No

Documents Available: Letter of permission from Home Office to
enter Britain and start factory at Team Valley,
Gateshead

AlSCO Cardboard Boxes Ltd

The family business of the founder, M. Mayer, of Coblenz / Rhein, had been in the paper-converting business since 1862. Early products included pill boxes, cartridge cases for the Prussian army, and cardboard boxes for a variety of trades, later the business developed increasingly into that of a manufacturing stationer.

On the death of his father in 1928, William Alberti took over the management of the business, which had become the largest employer in Coblenz, with a labour force of 650. He was then 23 years old.

Although he had never been to Britain, W. Alberti spoke fluent English and his wife, who had graduated in Mathematics and Physical Sciences, had spent a summer at Exeter University. Early on in the Nazi period, they decided that, if emigration became necessary, they would try and settle in Britain. For various family reasons, an early emigration was impossible.

In the spring of 1938, when it became clear that people of Jewish descent could not remain in Germany, W. Alberti met a relative, Walter Scooler, at the Leipzig Spring Fair. W. Scooler had a cardboard box factory in Saxony and he suggested that he and W. Alberti should set up a factory together in Britain. W. Scooler had a business friend in Luton who put the prospective partners in touch with the North Eastern Trading Estates Ltd. W. Alberti obtained a passport to make a trip to Britain, ostensibly to get export orders and he came to Gateshead in May 1938. He was very impressed with the facilities and the helpfulness of the officers of the Team Valley Trading Estate. After consultation with W. Scooler, he made another trip to Britain and met the Sales Manager of the Estates Company, H.J. Whitehouse, in London. On this occasion he signed a lease for a 1,500 sq.ft. factory at Team Valley, Gateshead. Solicitors were instructed to obtain visas for the Alberti and Scooler families. Because of an earlier family connection with Lord Mancroft, the latter agreed to sponsor the application. On the return trip from his visit to Britain in May 1938, W. Alberti met an American relative in Holland, who agreed to lend £ 1,000 as the starting capital for the Gateshead venture.

The necessary sale of the business in Coblenz proved difficult, because it was a relatively large undertaking and competitors were eager to see it disappear. Eventually, a buyer was found who agreed to buy the business for one quarter of its book value. The Nazi Labour organisation, whose agreement was required in such cases, insisted on an even lower price and made other conditions affecting the buyer, including the employment of party members.

A few days after the completion of the sale, W. Alberti was arrested in connection with the events of the 10th November 1938 and sent to the Dachau concentration camp, from which Mrs. Alberti was able to free him after a few days because of their impending departure for Britain.

Alsco Cardboard Boxes Ltd

After paying the punitive taxes demanded from emigrants of Jewish descent and with the transfer losses incurred by the artificial exchange rate, W. Alberti was left with £ 190.- from the sale of his assets.

He and his family arrived at Gateshead in January 1939, after Nazi officials had delayed his departure by some weeks by various chicaneries.

The 'S' in Alsco referred to W. Scooler. For various reasons, he never succeeded to escape from Germany before the War, which he barely survived. After the War he emigrated to the USA.

W. Alberti spent half his capital on second-hand box-making machinery. The other half was retained as working capital. He found excellent labour, which stayed with the firm for many years.

There were few box makers in the area, and only one at Team Valley: Fibre Board Boxes Ltd. W. Alberti was introduced to its Managing Director Mr. Arthur Nichols. This proved to be his first stroke of good luck, because Arthur Nichols became a firm friend until his death many years later.

The first order obtained by the firm was from a milliner at Tynemouth. It was for 36 hat-boxes. The second customer was a refugee manufacturer who had arrived only recently (see case history no. 4, Julius Bernet Ltd). J. Bernet became not only a customer but a friend and advisor. The next customer was another refugee firm (see case history no.1, Alligator Leather Goods Co.Ltd). The order from Alligator was so large in relation to the the firm's resources that W. Alberti had to ask for an advance to cover the cost of 10 tons of board, which then amounted to £ 100.-

A willingness to give service led to another important customer for the firm: A Team Valley firm of toffee-makers required lids only for boxes which had been lost in transit. The supplier of the boxes refused to supply lids only. Alsco agreed to make the lids and this so impressed the customer (Dainty Dinah) that it recommended Alsco to another firm of toffee makers at Durham (Adams) who also became important customers.

By July 1939, the original space had become too small and another 1,500 sq.ft. of space were rented. The rent for this was twice that of the original space. It had increased from £ 52.- to £ 104.- per annum!

At the outbreak of the War, the foreman left to join up. The raw material, which was imported from Holland because it was slightly cheaper than a similar quality obtainable in Britain, continued to be received until the occupation of that country in May 1940.

In May 1940, W. Alberti was interned. In March 1941 he volunteered for the Pioneer Corps and joined directly from the Internment camp. Later, he transferred to the Royal Army Service Corps. At the end of the War, he was in charge of printing and stationery supplies for the British Army of the

Alsco Cardboard Boxes Ltd

Rhine and reached the rank of Lieutenant. He played no part in the business from May 1940 until his demobilisation in November 1945.

For a few weeks after W. Alberti's internment, Mrs. Alberti ran the firm, until she was required to leave the area. When W. Alberti joined up, Mrs. Alberti and her children were allowed to return to Tyneside. During their absence between May 1940 and March 1941, their friend A. Nichols ran the business, as well as his own. During this period the Alsco factories were requisitioned for War work. A. Nichols secured a corner of the factory of Perga Cartons Ltd at Team Valley Trading Estate in which he set up the machinery and carried on as best he could.

In October 1941, Mrs. Alberti took over the management of the business, but she was not made a Director. Premises were taken in Corporation Street, Newcastle upon Tyne. For various reasons, including the shortage of material, the business had made a loss during the previous 6 months, so that Mrs. Alberti took over under difficult circumstances. These included her responsibility for two small children.

She learned the operation of the machinery and, while selling was no problem, the shortage of materials was. It was here that her mathematical training helped, because she was able to calculate minimum material needs and was able to use sizes and shapes not normally suitable.

By April 1942 the loss had been made good and the Directors decided that Mrs. Alberti should stay and run the business.

At the end of the War, Mrs. Alberti tried to return to Team Valley, but a larger factory was needed than in 1940. A 6,000 sq.ft. factory on Queensway was obtained. The removal from Corporation Street coincided with W. Alberti's return from War service. The foreman also returned and a salesman was engaged.

In November 1946, Mrs. Alberti gave up the running of the business because of the impending birth of another child.

The factory soon became too small and additional space (3,000 sq.ft.) were rented in a nearby building. In August 1949, the firm moved into a 22,000 sq.ft. building at Kingsway, Team Valley, which it still occupies. It is of interest that this factory was built in less than 30 days in 1937!

In 1964, the factory was acquired from the Estates Corporation. While opportunities for further expansion existed, these would have needed more capital and the firm felt unable to undertake the burdens involved.

In November 1973 the firm was acquired by its present owners, but the founder agreed to manage it until April 1975, when he reached the age of 70.

Case History Reference: 3. A/II/d/M

Firm: AROSA HOSIERY LTD
(now Blair Knitwear Ltd)

Address: Hartlepoons Industrial Estate
The Hartlepoons, Cleveland

Founder(s): Aaron Saurwymper

Founder(s)' Capital: Small

Year of Foundation: Believed 1955

Product(s): Originally hosiery, now knitwear

Employment on the 1.11.1974: 450

Volume of Sales in 1974: Not made available

Exports in 1974: " " "

Last - known Ownership: Sabre Knitting Inc., USA

Source of Information: H.H. Pearlman and Dr. H. Davis

Were similar Products made or
sold in country of origin? Hosiery

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation:

Post - 1940 Foundation: Not known

For Pre-War Foundations only

Contact with Special Area
Development Organisation:

Assistance from Special Area
Financial Sources:

Documents Available: No

Arosa Hosiery Ltd

Aaron Saurwymper was born in Poland, it is believed in 1915. His family are said to have been manufacturers of silk stockings. He and his brother Adam survived the Nazi extermination camp of Auschwitz, but Aaron lost his immediate family.

After the end of the War, Aaron moved to Belgium, while Adam went to the USA.

It is not clear when Aaron came to Britain, but a Government factory was made available to him at West Hartlepool in 1955. Some of his capital appears to have come from Belgian sources, but at a later stage, the Pearlman family, owners of a prominent drapery business in Sunderland, provided further capital and eventually became the controlling shareholders in the late 1950's. A member of the family, Dr. H. Davis, joined the firm in 1958.

At some stage, Adam Saurwymper returned from the USA and joined his brother in the business..

The firm produced fully-fashioned and, later, seamless stockings.

Because of changes in fashion in the early 1960's, the stocking business declined and a knitwear section was started.

In 1964 or 1965, the firm was sold to a British company, which, in turn, sold out to an American firm. A further change in ownership resulted in the present owners, said to be part of the American B.V.D. Group, acquiring control.

Aaron Saurwymper left the firm in the early 1970's. The firm is now a substantial producer of knitwear. Its factory space is 52,000 sq.ft.

Case History Reference: 4. I/a/M

Firm: JULIUS BERNET LTD

Address: Horatio Street
Newcastle upon Tyne, 1

Founder(s): Julius and Charlotte Bernet (now Holzmann)

Founder(s)' Capital: Modest but adequate

Year of Foundation: 1938

Product(s): Souvenir Dolls (originally Needlework
Boxes)

Employment on the 1.11.1974: 60 (inc. 50 outworkers)

Volume of Sales in 1974: Not made available

Exports in 1974: 10%

Last - known Ownership: Mrs. C. Holzmann and partner

Source of Information: Mrs. C. Holzmann

Were similar Products made or
sold in country of origin? Yes, needlework boxes

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation: Not known

Post - 1940 Foundation:

For Pre-War Foundations only

Contact with Special Area
Development Organisation: No

Assistance from Special Area
Financial Sources: No

Documents Available: No

Julius Bernet Ltd

Julius Bernet was born in Bamberg, Bavaria, in 1898. In 1921 he founded a business producing needlework boxes in nearby Nuremberg. The business developed rapidly and had substantial exports, particularly to the Scandinavian countries, Western Europe and Great Britain.

In 1935, he attempted to leave Germany, but the illness of his mother prevented his departure. Later attempts to obtain a residence permit in Belgium failed. He paid a number of visits to Britain in the course of his business and late in 1937 or early 1938 he sought permission to set up a factory there. He considered Wales, - which he knew -, but after a visit to Tyneside decided to settle there. With the help of some of his British customers, he was able to transfer some of his assets to Britain.

After an adventurous escape from Germany - he and his wife with the two children left by different routes - the family was re-united in London on 10 November 1938.

The first few weeks in Britain were spent in taking up contact with customers, ordering machinery and having samples made. At the same time, much effort and a large part of J. Bernet's assets were devoted to obtain permission for 10 members of his family to come to Britain. Soon after, a 3,000 sq.ft. factory being prepared for him at Team Valley, Gateshead, became available.

So far as can be ascertained, J. Bernet made his own contact with the Estates company while on a business trip before his final arrival.

The firm was able to establish itself fairly quickly. Some customers switched orders from the old German firm to the new British one. Before long, a connection was made with Marks and Spencer and this resulted in 1,500 needlework boxes being supplied each week. The wooden bodies of the boxes were made by a local joinery manufacturer. The first few months of the War did not seem to affect either orders or production, except that some export orders could no longer be filled.

In May 1940, J. Bernet was interned. Mrs. Bernet tried to carry on the business but within a few weeks she had to leave the area and the business had to be closed down.

When J. Bernet was released from internment some months later and he and his family returned to Tyneside, they found that their factory at Team Valley had been requisitioned and the contents stored in seven different places.

Premises were taken in Trafalgar Street, Newcastle upon Tyne, and, before long, the business prospered again. About 50 people were employed at that time. When supplies of wood became difficult to obtain, the bodies

Julius Bernet Ltd

of the needlework boxes were made from cardboard, (see also case history no.2, Alsco Cardboard Boxes Ltd).

Julius Bernet died in 1944, possibly as a result of a move during internment while suffering from a severe throat infection. Mrs. Bernet carried on the business and has done so ever since.

In 1948, the firm rented the old Reay Gear Works in Oakwellgate, Gateshead. With the advent of television and the change in the way of life and of materials (the introduction of nylon, for example), however, the demand for needlework boxes declined.

By 1959, the rent of the Oakwellgate factory had become burdensome. A disused church in Park Road, Newcastle upon Tyne, was bought and equipped. From this point on, the firm ran into a series of problems with premises. Although assured of planning permission for a period of 10 years, the building was compulsorily purchased within a few weeks after the firm moved in. Land purchased in Crawhall Road, Newcastle upon Tyne, intended to be developed in partnership with Great Universal Stores Ltd, was found to be unavailable because of yet another compulsory purchase order. Finally, the old Danish church in Horatio Street, Newcastle upon Tyne, was bought in 1962 and is still being occupied.

With the decline in the market for needlework boxes, the firm was obliged to look for a new line. A lady book-keeper was found to have considerable design talent and she had always been interested in dolls. The firm decided to enter the market for souvenir dolls, dressed in national or regional costumes of many countries. This business has grown satisfactorily. Many of the firm's employees are outworkers. Most of these are former full-time employees, who welcome the opportunity to carry on working at home. In this way, the firm has largely solved its training problems which, considering that its products are of good quality, might have proved difficult.

The former lady book-keeper is now a 50% partner in the business.

Case History Reference: 5. A/ I/a/M

Firm: BUILDERS' CHEMICALS LTD
(now Modelgrade Ltd)

Address: 157c, Queensway, Team Valley Trading Estate
Gateshead, 11, Tyne & Wear

Founder(s): Leo Frensdorf

Founder(s)' Capital: Small

Year of Foundation: 1938

Product(s): Mortar additives, rapid-setting cements.
anti-dust dressings, anti-freeze dressings
5

Employment on the 1.11.1974:

Volume of Sales in 1974: Not made available

Exports in 1974: None

Last - known Ownership: Peter Guttsmann

Source of Information: Peter Guttsmann

Were similar Products made or
sold in country of origin? Yes

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation: Not known

Post - 1940 Foundation:

For Pre-War Foundations only

Contact with Special Area
Development Organisation: Not known

Assistance from Special Area
Financial Sources: No

Documents Available: No

Builders' Chemicals Ltd

Leo Frensdorf was born in Germany in about 1895. He ran a firm in Hamburg manufacturing chemicals for the building industry, after having worked for many years as a sales representative for another German concern in the same field.

The Nazis forced him to get out of Germany. He arrived on Tyneside, via Sweden, sometime in 1938. Although his products were not new in Britain, there was not much competition and the business, although always small, appears to have prospered from the start.

L. Frensdorf is believed to have died late in the 1960's. He had no children and his wife predeceased him. He left the business to his workers, but his sister-in-law, a Mrs. A. Wilton, appears to have gained control and tried to run it herself. By 1972, the firm had to go into voluntary liquidation.

At this point, Peter Güttsmann (see case history no.39, Tyne Truck and Trolley Company Ltd) acquired the assets and the undertaking from the liquidator. He had been Scottish sales representative of the firm since 1952 and knew the market well. He restarted production, increasing it substantially compared with the period just before L. Frensdorf's death.

Case History Reference: 6. A/ I/a/M

Firm: BURRELL & MAURICE LTD

Address: Ryton Industrial Estate
Newburn Bridge Road
Blaydon on Tyne

Founder(s): Moses Kaufmann and Max Lesser

Founder(s)' Capital: £ 3,000

Year of Foundation: Founders acquired a very small business
in 1939

Product(s): Quilts, bedding, sleeping bags, dressing gowns

Employment on the 1.11.1974: 450

Volume of Sales in 1974: £ 2.5 million

Exports in 1974: 5%

Last - known Ownership: Vantona Textile Group

Source of Information: Mendel Kaufmann, son of one of the founders

Were similar Products made or
sold in country of origin? Yes

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation: A member of Max Lesser's family had settled
on Tyneside in 1938

Post - 1940 Foundation:

For Pre-War Foundations only

Contact with Special Area
Development Organisation: Probably not

Assistance from Special Area
Financial Sources: No

Documents Available: No

Burrell & Maurice Ltd

Moses Kaufmann was born in Cracow, Poland, in 1890. After the first world War, he moved to Berlin, where he established a quilt-manufacturing business which became a substantial concern.

Max Lesser was born in Silesia in about 1892. He was the brother-in-law of Adolph Chaskel (see case history no.34, Team Valley Weaving Industries Ltd) and head buyer in A. Chaskel's German business, Teppich Bursch of Berlin.

M. Kaufmann's firm was a major supplier to Teppich Bursch and, therefore, had much contact with M. Lesser. When it became necessary for both M. Kaufmann and M. Lesser to leave Germany, A. Chaskel suggested that they should join him in Gateshead and set up together in a quilt-manufacturing venture.

M. Kaufmann was still a Polish national and appears to have been able to transfer some money and a part of his plant to Britain, but as he left Germany only a short time before the War, some of his machines never left German port.

At the start of the War, there were no factories available at Team Valley Gateshead. Instead, they took over Burrell and Maurice Ltd, a very small business founded by two brothers named Levy and then owned by a Col. and Mrs. Swainston. The business was located in an old house at Summerhill Terrace, Newcastle upon Tyne, and employed about 6 people.

In 1940, the firm succeeded in obtaining a factory of 3,000 sq.ft. at I.58, Queensway, Team Valley Trading Estate, Gateshead. For the duration of the War, the firm produced quilts to wartime, and later, to 'Utility' standards.

Internment affected only M. Lesser, M. Kaufmann being a 'friendly alien'.

After the War, the firm took over 3,000 sq.ft. of additional space in the same building. New types of cloth were imported in order to develop a better class of trade. The business grew and further space was rented at Team Valley.

M. Lesser died in 1956, and on the death of M. Kaufmann in 1958, one of his sons, who had worked in the business since 1946, (Mendel Kaufmann) took over the management of the firm.

The business continued to expand, but the introduction of synthetic materials like Terrylene changed the nature of the trade. Appropriate new equipment was imported from Germany and Sweden and the firm became one of the first in Britain in what had, in effect, become a new industry.

Up to this point in time, the business had only a single major customer - a mail order house -, which now decided to manufacture. This produced some anxious months for the firm, but the synthetic quilt trade opened up entirely new markets and the loss of the major customer was not only absorbed quickly,

Burrell & Maurice Ltd

but the business continued to grow rapidly.

By 1963, the firm occupied about 25,000 sq.ft. of space at Team Valley Trading Estate, but because this space was split into too many small units inconveniently far apart, it was decided to build a 45,000 sq.ft. factory at Ryton Industrial Estate, Blaydon on Tyne, where another refugee firm (see case history no.29, Plus Products Ltd) had recently established the first factory.

The business expanded rapidly in its new factory. A number of stores and mail order houses became important customers. Apart from quilts, some of the expansion was in new lines: sleeping bags, dressing gowns, continental quilts, sheets and bedding. Later, an existing building at Tow Law, County Durham, was adapted and 120 of a total work force of 450 were employed there. The firm is the only major employer at Tow Law, an area of high unemployment. It contributes to the welfare of the community in a number of ways.

The company was acquired by its present owners in 1965. Mendel Kaufmann retired from the management of the company in September 1976.

This firm is one of 6 founded by a 'dynasty' and reference to the family relationships and the firms which were founded is made in Appendix 18.

Case History Reference: 7. A/ I/a

Firm: CASTLECRAFTS LTD

Address: 59, Melbourne Street, Newcastle upon Tyne, 1
and Kitty Brewster Estate, Blyth, Northumberland

Founder(s): Dr. Walter Gruen and Miss G. Lucas (Gluecklich)

Founder(s)' Capital: £ 3,000

Year of Foundation: 1939

Product(s): Toilet Bags and Dress Accessories in
Leather and Plastics

Employment on the 1.11.1974: 150

Volume of Sales in 1974: Not made available

Exports in 1974: " " "

Last - known Ownership: Guinness Brewery Group

Source of Information: Dr. W. Gruen

Were similar Products made or
sold in country of origin?

No, but Miss Lucas was a craft worker in
leather

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation: Promotion by and assistance from the Tyneside
Industrial Development Board

Post - 1940 Foundation:

For Pre-War Foundations only

Contact with Special Area
Development Organisation:

T.I.D.B., originally in Berlin

Assistance from Special Area
Financial Sources:

No.

Documents Available: No

Castlecraft Ltd

Dr. Walter Gruen was born in 1889 in Saxony. He studied Law and later became a Director of the municipal gas and electricity undertaking of the City of Dresden.

Because of his origins, he was forced to resign shortly after the Nazis came to power in 1933, and for the next few years he earned his living as a financial adviser in Dresden.

Early in 1938, it became clear that he would have to leave Germany. A friend in Bradford agreed to support his application for a visa to Britain.

At about that time, W. Gruen learned from a friend on the Jewish Representative Council (Reichsvertretung der Juden in Deutschland) that a Mr. Stanley Holmes of the Tyneside Industrial Development Board was coming to Berlin and wanted to meet people who had to get out of Germany and might be interested in setting up small manufacturing businesses on Tyneside. Dr. Gruen met Mr. Holmes and agreed to consider the idea.

Dr. Gruen was a keen amateur musician. Among his circle of players was a Miss Lucas, who had a small workshop in Dresden, where she made leather items to order. She agreed to join with him in a venture on Tyneside and prepared a sample collection, mainly of handbags, which was submitted to Mr. Holmes on his next visit to Berlin. He advised against handbags, because at least two other refugees had already planned the production of such items in the North East of England. Instead, he suggested leather belts and other accessories and on his return to Britain, he contacted possible buyers, including Fenwicks, a well-known department store at Newcastle upon Tyne.

Dr. Gruen and his family, with Miss Lucas, arrived in Newcastle in January 1939. Premises were taken on the first floor of nos 8 - 10, Percy Street, Mr. Holmes having advised strongly that a location in the centre of the city would be better than one on a Trading Estate.

Dr. Gruen's eldest daughter had come to Britain in 1937 already in order to attend school at The Mount, York. She spoke fluent English and it became her responsibility to train the small work force of 5 - 10 girls and generally liaise with the workers.

The firm started with the production of belts. Although these were readily saleable, it was found that the taste of the market in Britain differed from that in Germany: In the Newcastle area, at least, there was no market for the substantial, long-lasting calf leather belts favoured in Germany; the market was more interested in fashion belts and in the firm's design of Dirndl belts. Fenwicks was one of the early customers. The indefatigable Mr. Holmes found an excellent sales representative for the new firm.

When War started, the management did not believe that the market for fashion belts would continue. Instead, a line of leather carrier bags for

Castlecrafts Ltd

gas masks was introduced. Fenwicks offered to sell the entire output.

Then came the ruling that no firm was permitted to produce more than during the year before the War, in order to preserve materials. An exception was made, among other items, for artificial flowers and other dress accessories. The firm, therefore, engaged a Viennese lady who had trained in the design and manufacture of artificial flowers and began to do substantial business in leather flowers.

In may 1940, Dr. Gruen was interned and the women in the family had to leave the area after a few weeks. They went to Leeds and re-established the business there. The work force grew to 45 and the firm prospered. After the release from internment of Dr. Gruen in November 1940, permission was granted for the firm to return to Newcastle. It was set up in Tower House, Newcastle upon Tyne, where one of its works is still located today.

At that time, pricing restrictions began to cause difficulties to many industries, the clothing industry included. For reasons connected with the regulations, it was of advantage to clothing manufacturers to buy out accessories like belts. Castlecrafts was able to take advantage of this situation and for some years during the War, its work force of 50 people was fully engaged in the production of belts for clothing manufacturers.

The shortage of consumer goods after the War led to the next stage in the expansion of the business. Good sales agents in the main areas of the country and exports to Canada increased sales. The work force increased to about 80.

Apart from the manufacture of leather belts and leather flowers, the production of toilet bags made from plastic materials was introduced. Trade was mainly with shops, but Boots and Timothy White's were supplied.

A new agent in Scotland (believed to have been a Mr. Jackel) acquired some shares in the business in the late 1950's. When Dr. Gruen retired in 1963 at the age of 74, the agent acquired the whole business. Recently, it is believed that the Guinness Brewery Group have become the ultimate owner.

Miss Lucas retired a few years later at the age of 65 and died in the early 1970's.

Since the change of ownership in 1963, the business has developed its marketing and, as a result, its work force has almost doubled, making it necessary to rent a second factory, at Blyth.

Dr. Gruen gave the absence in Britain of small producers of belts and dress accessories (most of which were imported before the War) as the reason for the relatively rapid success of the business.

Case History Reference: 8. A/II/d

Firm: CHEMICAL COMPOUNDS LTD

Address: Aycliffe Trading Estate
Newton Aycliffe, County Durham

Founder(s): Herbert Wolfe and Werner Wolf

Founder(s) ' Capital: £ 4,600

Year of Foundation: 1946

Product(s): Fine Organic Chemicals

Employment on the 1.11.1974: 110

Volume of Sales in 1974: £ 800,000

Exports in 1974: 40%

Last - known Ownership: Dalgety Group

Source of Information: Herbert Wolfe

Were similar Products made or
sold in country of origin? No

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation:

Post - 1940 Foundation: Availability of factory space

For Pre-War Foundations only

Contact with Special Area
Development Organisation:

Assistance from Special Area
Financial Sources:

Documents Available: No

Chemical Compounds Ltd

The brothers Wolf were born in Berlin, Germany, Herbert in 1913 and Werner in 1919. Herbert Wolf completed his schooling in 1933 but became aware at an early stage that the Nazis would make it impossible for him to stay in Germany. He arrived in London in July 1933 with the intention of taking a degree at London University. For financial and other reasons, this proved impossible. Through introductions by a business friend of his father, who was a clothing manufacturer in Germany, he obtained a poorly-paid job in a London import/export house. In 1936, Herbert persuaded his father to allow his younger brother to join him in London. Werner was able to raise the finance for further studies and, after passing his entrance examination to London University, began to study chemistry, graduating in June 1940.

Meantime, Herbert continued to advance in the firm he joined in 1933. In May 1940, both brothers were interned. Werner was shipped to Canada. When Herbert was released in October 1940, he joined the Pioneer Corps, later changing to the Royal Army Ordnance Corps. The end of the War found him an interpreter, attached to the Highland Brigade. He was demobilised in May 1946 with the rank of Sergeant and returned to his former employer. When Werner returned from Canada in 1941, he was engaged as a process worker by Chemi-Synthetics Ltd, producers of fine chemicals, (later taken over by Amber).

Even before Herbert Wolfe (the 'e' was added to his name by the Army) was demobilised, the brothers had decided to set up a business together to manufacture fine chemicals of a specialised nature, which were not produced in Britain. Some simple market research revealed that there was a wide range of such products and at the end of the War it was likely that orders for almost any kind of fine chemical products would be readily obtainable.

With their own savings amounting to about £ 1,000, the brothers looked for additional finance. Their father, who managed to get out of Germany, put up £ 500, Herbert's former employer contributed £ 800, a partner in the firm of auditors of his former employer another £ 800, and a cousin £ 1,500, making a total of £ 4,600.

At the suggestion of the Board of Trade they looked for a factory in South Wales but found nothing suitable. Then they heard of Aycliffe, which had just been established as a Trading Estate on the site of a war-time munitions complex. They rented 6,000 sq.ft. in an 8,000 sq.ft. building. Herbert Wolfe recalls that he obtained his first order, to the value of £ 1,000 some four months before they moved into the factory.

Small vessels and other chemical plant was urchased. A friend of Werner Wolf put a laboratory in London at their disposal after working hours, where the processes were worked out. The brothers soon found that they had not enough equipment and that the equipment they had was too small. Starting with

Chemical Compounds Ltd

20 and 50 litre vessels, they gradually changed to 1,000 litre ones.

During their first year of operations, sales were £ 10,000 and, after drawing £ 600 each in salary, the business made a profit of £ 20.

When business became difficult for a while, a relation who had stayed in Czechoslovakia obtained export orders for the new firm.

Soon after the firm started, the Ministry of Health approached it and asked whether it could produce Carbonal and Bromvaletone, sedatives which were no longer made in Germany - the pre-War source - and had to be imported from the USA for scarce dollars, although the import value was only £ 30,000.

Production of Carbonal - and, later, Bromvaletone - for the home market was started and exports worth £ 60,000 per annum were eventually achieved.

Before long, ICI started to make the same materials and engaged in a tough price war with the firm, but after a year or so, ICI gave up and sold its raw materials and stock to Chemical Compounds. In the course of this price war, the firm streamlined its production and became so efficient that when German companies (Bayer and Knoll) restarted production, it not only held on to the British market but even managed to export.

Herbert Wolfe believes that the success of the firm was partly due to its willingness to make even the smallest quantities of specialised fine chemicals required by the pharmaceutical, agricultural chemical and plastics industries. This willingness had a number of advantages: It led to repeat orders, sometimes large ones. For example, the firm was asked to make 100 kg of phenoxy acetic acid, a totally uneconomic quantity. The order was accepted and later led to orders for 600 Tons per annum, mainly for export. The requirement for a large variety of materials in small quantities also meant that the firm became expert in making an ever wider range of products. By the time the company was taken over it had experience in making 500 different materials, including 30 major products.

In the late 1960's, the company bought its original factory and extended until it owned a 6 acres site with 15 buildings, giving it a floor space of 45,000 sq.ft.

In 1968, the company was acquired by Glovers (Chemicals) Ltd, which, in turn, was acquired by Associated British Malsters Ltd. ABM was later taken over by the Dalgety Group.

After the Dalgety take-over, Herbert Wolfe retired from the joint management of the firm, but continues as a consultant. Werner Wolf retired soon after.

Before they retired, the brothers' efforts resulted in exports worth £ 3 million of fine chemicals, and saved imports to almost the same value.

Case History Reference: 9. A/II/d/M

Firm: COMMERCIAL PLASTICS LTD

Address: Station Road
Cramlington, Northumberland

Founder(s): Dr. J. Pomeraniec
and Great Universal Stores Ltd

Founder(s)' Capital: £ 250,000

Year of Foundation: 1947

Product(s): PVC film and sheeting, Polyethylene film,
Polystyrene sheet.

Employment on the 1.11.1974: 950

Volume of Sales in 1974: £ 10 million

Exports in 1974: 50%

Last - known Ownership: Unilever Group.

Source of Information: Dr. J. Pomeraniec
Heinz Bing

Were similar Products made or
sold in country of origin? No

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation:

Post - 1940 Foundation: Presence of GUS manufacturing units on
Tyneside

For Pre-War Foundations only

Contact with Special Area
Development Organisation:

Assistance from Special Area
Financial Sources:

Documents Available: No

Commercial Plastics Ltd

Dr. J. Pomeraniec was born in Russia in 1908. He studied Medicine at the University of Frankfurt am Main and Chemistry and Chemical Engineering in Berlin. In 1936 and 1937 he did research at the Technical University in Berlin. Because of the Nazis, he left Germany in 1938 and went to Brussels, where he carried out further research at the University. At the same time, he engaged in the manufacture of vitamins and hormones, both in Germany and in Brussels, on his own account.

When Belgium was invaded by the Germans in May 1940, Dr. Pomeraniec joined the Belgian army but was immediately transferred to international units under French command. In June 1940, he was evacuated to Britain.

In London, Dr. Pomeraniec joined Chemi-Synthetics Ltd, which produced a variety of specialised chemicals, including X-Ray contrast materials and essences. He also experimented with acrylic materials and became generally interested in Plastics. On leaving Chemi-Synthetics after the War, he set up a firm making plastic dental materials and some pharmaceuticals.

In 1946, he became a consultant to Great Universal Stores Ltd, advising on industrial development. In 1947 he began to create Commercial Plastics Ltd, as a subsidiary of GUS Ltd, with the intention that it should become a major plastics fabricator. At the suggestion of Sir Isaac Wolfson, the venture was set up on Tyneside, close to an existing factory in the GUS group, Tyneside Plywood Ltd, at Willington Quay.

Operations started in 1948 with an American calender of a new design. The first products were printed, embossed and laminated Polyvinyl chloride film and sheeting. In 1954, a subsidiary - Anglo-American Plastics Ltd - was formed to start the production of Polyethylene extrusions. In the same year, the production of self-adhesive, semi-rigid materials was commenced and sold under the trade name FABLON, and later, the manufacture of PVC wall coverings under the trade name MAYFAIR. Another subsidiary, Iridon Ltd, was established to produce flat Polystyrene materials for vacuum forming.

By 1960, the Willington Quay factory had become too small and a very large factory was leased at West Chirton, Tynemouth. The activities of Anglo-American Plastics and of Iridon were transferred there. The additional space was also used to start the production of hard plastic sheeting (thermo-setting urea formaldehyde) under the trade name FABLONITE. This product line, however, was soon sold to a Canadian company, Domtar, which continued to carry on the production at West Chirton under the trade name Arborite. Later, the product lines changed hands again.

Sometime before 1960, Greenwich Plastics Ltd (another refugee venture) was acquired and this added the production of rigid PVC sheeting to the group's range.

Commercial Plastics Ltd

In 1964, Commercial Plastics Ltd and all its subsidiaries were acquired by Unilever. A new factory was built on a 50 acre site at Cramlington, Northumberland to house the PVC production. This factory has now been extended to provide 480,000 sq.ft. of manufacturing and storage space.

In 1967, Anglo-American Plastics Ltd was sold to Imperial Chemical Industries Ltd and amalgamated with Visqueen Ltd, an ICI subsidiary. It was removed from Tyneside and Iridon Ltd, which was housed in the same factory as Anglo-American Plastics, was obliged to move from West Chirton. It was disposed of but is believed to continue at St. Albans, Herts.

Commercial Plastics Ltd won a Queen's Award for Exports, it is believed in 1974. Its export manager, H.W.Baldock, was awarded the OBE.

Dr. Pomeranec retired from the company in 1969, but remained a consultant for some years.

Commercial Plastics Ltd is now part of Nairn International Ltd, a member of the Unilever Group. It has become one of the major PVC fabricators in Britain.

Spin-Off: General Foam Products Ltd, West Chirton Trading Estate
 Tynemouth, Tyne & Wear
 see case history no.14

Case History Reference: 10. I/a/M

Firm: DISTINCTIVE CLOTHING COMPANY LTD

Address: Tower House, Tower Street
Newcastle upon Tyne, 1

Founder(s): Martin Maier

Founder(s)' Capital: Small

Year of Foundation: 1942

Product(s): Boys' school wear

Employment on the 1.11.1974: 120

Volume of Sales in 1974: Not made available

Exports in 1974: 12%

Last - known Ownership: Founder's family

Source of Information: Werner Maier, Managing Director, son of founder

Were similar Products made or
sold in country of origin? Yes

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation:

Post - 1940 Foundation: Split from refugee firm on Tyneside

For Pre-War Foundations only

Contact with Special Area
Development Organisation:

Assistance from Special Area
Financial Sources:

Documents Available: No

Distinctive Clothing Company Ltd

Martin Maier was born in the Province of Posen, Poland, in 1893. He joined his brother's clothing manufacturing business, Albert Maier & Co, which was established in Berlin, Germany, shortly after the first world War. The firm produced boys' clothing in the medium quality trade.

When Albert Maier had to leave Germany, he came to the Team Valley Trading Estate, Gateshead, in 1938 and set up Team Valley Clothing Co. Ltd, (see no. 16 of firms no longer in existence). Martin Maier joined him in 1939.

The brothers were interned in May 1940 and the business suffered the problems common to all refugee firms whose principals were in the same situation. Both brothers were released late in 1940 and returned to Gateshead.

Martin Maier separated from his brother in 1942 and set up Distinctive Clothing. He started with 40 second-hand sewing machines and employed about 90 people. It is not known what products were made during the War or where the firm was operating.

Shortly after the War, the brothers Maier bought Tower House, an old warehouse in the centre of Newcastle upon Tyne. Both Team Valley Clothing and Distinctive Clothing moved there, after making extensive modifications of the building.

Distinctive Clothing is one of the few firms in the country specialising in school wear for boys in the 5 - 15 year age groups. The firm supplies Harrods, Selfridges and other high-class outlets.

Martin Maier died in 1970. The firm has since been managed by one of his sons, Werner Maier.

Case History Reference: 11. A/II/c/M

Firm: DUKES AND MARKUS LTD

Address: Norham Road, West Chirton Trading Estate
Tynemouth, Tyne & Wear

Founder(s): E. Markus and E. Dukes

Founder(s)' Capital: Small

Year of Foundation: 1933, in London, 1945 in North

Product(s): Ladies' fashions

Employment on the 1.11.1974: 820

Volume of Sales in 1974: Not made available

Exports in 1974: 10%

Last - known Ownership: Ellis & Goldstein Ltd,

Source of Information: Mrs. R. Markus, widow of one of the founders

Were similar Products made or
sold in country of origin? Yes

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation:

Post - 1940 Foundation: Facilities for and assistance with expansion

For Pre-War Foundations only

Contact with Special Area
Development Organisation:

Assistance from Special Area
Financial Sources:

Documents Available: No

Dukes and Markus Ltd

E. Markus was born in 1897 in Holland, but he studied in Germany, where he became a Banker. In 1931, he left banking business and joined the recently-formed firm of Sellinger and Dukes in Berlin. This firm was engaged in the manufacture of ladies' fashions. In addition, one of the partners in the firm acted as an export agent for another German company, particularly dealing with the British market.

Shortly after the Nazi take-over in Germany, E. Markus and E. Dukes, who was of Hungarian origin, left Germany and received permission to start manufacturing in Britain. Mr. Sellinger followed in 1936.

The firm was established in a small way in the East End of London, but moved to the West End in 1936. In 1940, the firm transferred its business to Kendall, Cumbria.

We have little information on the firm's activities during the War. Toward its end, it was realised that an expansion on the expected scale at Kendall would be impossible, because there was not enough labour there. Discussions with the Board of Trade resulted in the move to Tyneside in 1945.

While a factory was being built for the firm, it occupied temporary premises at Whitley Bay. Key workers were brought from Kendall and houses were made available to them on Tyneside.

The firm expanded rapidly and continued to expand after the death of E. Markus in 1966 and the retirement of E. Dukes in the early 1970's.

Case History Reference: 12. A/II/a

Firm: DURWORTH LTD

Address: Soho Street
Shildon, County Durham

Founder(s): Josef Warzecher

Founder(s) ' Capital: Small

Year of Foundation: 1949

Product(s): Duffle coats, men's and boys' outer wear

Employment on the 1.11.1974: 100

Volume of Sales in 1974: Not made available

Exports in 1974: Small

Last - known Ownership: Bodner family

Source of Information: M. Bodner
Mrs. F. Warzecher, widow of founder

Were similar Products made or
sold in country of origin? Does not apply

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation:

Post - 1940 Foundation: Spin-off from refugee firm in S.West Durham

For Pre-War Foundations only

Contact with Special Area
Development Organisation:

Assistance from Special Area
Financial Sources:

Documents Available: No

Durworth Ltd

Josef Warzecher was born in 1908 in Guttentag, Silesia, Germany. He became a supervisor at the works of A.G. fuer Webwaren & Bekleidung at Breslau. When the owners of that firm were forced to emigrate, they came to Britain and set up a factory at West Auckland (see case history no.40, West Auckland Clothing Co. Ltd). J. Warzecher came with them and continued as a supervisor.

In 1944, it is believed, he left, together with a colleague, Leo Page, to set up Northern Clothing Company Ltd at Shildon, County Durham. We visited Leo Page and came to the conclusion that Northern Clothing could not be considered a refugee venture, although Warzecher was a partner.

In 1947 or 1948, J. Warzecher left Northern Clothing and set up Durworth, also at Shildon. Although he appears to have made some products which he marketed himself, the firm was largely in the C.M.T trade (cutting, making-up and trimming), both the material and the sales being provided by other clothing manufacturers. Gloverall, a well-known manufacturer of sports wear seems to have been an important customer, but Durworth also supplied some firms which figure in our case histories; for example, L.C. (Taylorwear) Ltd (see case history no.19). Among other products, the firm seems to be well-known for duffle coats.

J. Warzecher died in 1972. His widow carried on the firm for a while but sold to the present owners in 1973.

Spin-Off: None known

Case History Reference: 13. I/c

Firm: ERNEST AND HENRY LTD

Address: St. Helen's Auckland Trading Estate
West Auckland, County Durham

Founder(s): Ernest and Henry Wallace (Wallach)
F.P. Kendall (Klakstein)

Founder(s)' Capital: £ 1,000

Year of Foundation: 1933, in London, 1938 in North

Product(s): Buttons, buckles, dress ornaments

Employment on the 1.11.1974: 200

Volume of Sales in 1974: £ 400,000

Exports in 1974: 10%

Last - known Ownership: Ernest Wallace and F.P. Kalkstein

Source of Information: F.P. Kalkstein

Were similar Products made or
sold in country of origin? No

Reason for Establishment in a
Special Area of the North: Difficulties in expanding in London

Pre-War Foundation:

Post - 1940 Foundation:

For Pre-War Foundations only

Contact with Special Area
Development Organisation: North Eastern Trading Estates Ltd

Assistance from Special Area
Financial Sources: S.A.R.A. and Nuffield Trust

Documents Available: No

Ernest and Henry Ltd

The brothers Ernest (born at Tilsit, Germany, in 1907) and Henry (born at Tilsit in 1913) Wallace and F.P. Kendall (born at Insterburg, Germany, in 1913) left Germany at an early stage in the Nazi period.

Ernest Wallace worked as a salesman for a firm of lace neckware makers, while Henry worked in the substantial clothing manufacturing firm owned by an uncle. F.P. Kendall had started his Law studies but realised that he could not continue them in Germany. All of them arrived in London in 1933.

The brothers Wallace started by representing a German firm of button makers. Their range aroused interest, but they concluded that, for a number of reasons, they were likely to be more successful if they manufactured in Britain.

The brothers decided to do so and looked for another partner who could provide some funds. At this point, they met F.P. Kendall, who agreed to join them. A small factory was set up at John Street, in the City of London.

The business did reasonably well and employed some 20 people.

By the middle of the 1930's, the founders concluded that the business could be expanded, but, for various reasons, this was difficult in the London area. Negotiations were started with North Eastern Trading Estates Ltd, who offered factories at Team Valley and at St. Helen's Auckland. The availability of the right sort of labour resulted in the choice of St. Helen's Auckland.

Because the factory was somewhat larger than originally intended, (9,000 sq.ft.)- and enabled the firm to operate on a larger scale -, additional capital was required. This was provided by S.A.R.A. and by the Nuffield Trust.

The firm moved into this factory in the summer of 1938, the second firm to occupy a group of 4 factories which were built at St. Helen's Auckland for the Commissioner for the Special Areas before the War. In November of that year, the factory and plant were damaged by a fire in an adjacent factory occupied by a refugee firm (see case history no. 1, Alligator Leather Goods Company Ltd).

The firm supplied buttons directly to the making-up trade (ladies' fashions), a form of marketing which was, and still is, somewhat unusual.

With the start of the War, it became clear that both the demand for the firm's products and the supply of materials were likely to drop sharply. The firm decided to instal engineering facilities and started the production of aircraft components, while the production continued on a reduced scale.

In May 1940, the partners were interned, but they were released within 3 months.

When a neighbouring firm, Bond Moulding and Engraving Co. Ltd, with

Ernest and Henry Ltd

which a Major Lascelles - a prominent Darlington citizen - was associated, ran into financial difficulties during his active service abroad, it was acquired by Ernest and Henry at the suggestion of S.A.R.A.

Towards the end of the War, the firm decided to start the design and manufacture of button-making machinery which, before the War, had all been imported, mainly from Germany. Its engineering facilities enabled the firm to produce these machines successfully, both for its own use and for the trade in general, including the export trade. The manufacture of these machines was carried on for some years after the War.

After the end of the War, the firm concentrated its activities once more on the production of buttons, greatly increasing its range and its facilities. Its floor space is now 44,000 sq.ft.

A recent development has been the introduction of the production of the main raw materials used: Casein and Polyesther. The production is for its own use only.

In 1954, Bond Moulding and Engraving Company Ltd was sold to its manager, Mr. Crawker. Henry Wallace left the firm in 1965.

Case History Reference: 14. II/a

Firm: GENERAL FOAM PRODUCTS LTD

Address: West Chirton Trading Estate
Tynemouth, Tyne & Wear

Founder(s): Alfred Stern

Founder(s)' Capital: £ 25,000

Year of Foundation: 1962 (January)

Product(s): Speciality Foam cushioning made from
regenerated plastic waste foam
370

Employment on the 1.11.1974:

Volume of Sales in 1974: £ 1,2 million

Exports in 1974: 6%

Last - known Ownership: Founder and family

Source of Information: Founder

Were similar Products made or
sold in country of origin? Does not apply

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation:

Post - 1940 Foundation: Spin-off from refugee firm in Northumberland

For Pre-War Foundations only

Contact with Special Area
Development Organisation:

Assistance from Special Area
Financial Sources:

Documents Available: No

General Foam Products Ltd

Alfred Stern was born in 1925 at Montabaur near Coblenz, Germany, the son of a manufacturer of leather goods. He arrived in Britain with a transport of refugee children in March 1938, aged 13. His family was never heard of again.

After attending school for a year or two, he worked in military transport. At the end of the War, he trained in plastics technology. He then spent 5 years as a research worker at ICI. For 12 years after, he worked as a plastics technologist at Commercial Plastics Ltd (see case history no.9) in the North East.

He left Commercial Plastics in February 1962 and started his own firm, manufacturing speciality cushioning and padding materials for industrial applications. His firm developed its own processes. These are based on the use of regenerated plastic foam waste, which is reformed into a new material possessing unusual and useful properties. These properties led to its gradual acceptance by industry. Initially, the firm supplied the bedding and furniture industries, but wider markets were developed, including the motor vehicle, shoe and slipper, building and packaging industries.

The firm started with 7 employees in a 15,000 sq.ft. factory on the West Chirton Trading Estate. During the first few years, progress was slow and many difficulties had to be overcome, but within 10 years the work force grew to 300 and the manufacturing space to 125,000 sq.ft.

The firm attributes much of its success to the help it received from local business and professional people, and from its employees. For example, it received valuable assistance during its formative years from the W.A. Handley Charitable Trust by way of unsecured long and short term loans. It was because of this help that the company was able to expand and to undertake substantial long-term contracts..

The increasing emphasis on safety padding and noise reduction in motor vehicles is greatly increasing the scope and the markets for the company's products.

Spin-off: None known to founder

Case History Reference: 15. A/ I/a/M

Firm: GREAT NORTHERN KNITWEAR LTD.

Address: West Chirton Trading Estate
Tynemouth, Tyne & Wear

Founder(s): Leo and Willy Steel (Steppacher)
Walter Scharman (Schartenberg)

Founder(s)' Capital: Small

Year of Foundation: 1937

Product(s): Men's outer knitwear

Employment on the 1.11.1974: 100

Volume of Sales in 1974: £ 750,000

Exports in 1974: Small

Last - known Ownership: R.K.T. Ltd

Source of Information: W. Sharman, one of the founders
F. Steel, son of W. Steel, one of the founders

Were similar Products made or
sold in country of origin? Yes

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation: Promotion by Tyneside Industrial Development Board

Post - 1940 Foundation:

For Pre-War Foundations only

Contact with Special Area
Development Organisation: T.I.D.B.

Assistance from Special Area
Financial Sources: S.A.R.A.

Documents Available: Newspaper cutting of arrival, Question in
Parliament, Opening of factory by Commissioner,
Visit by King George VI

Great Northern Knitwear Ltd

The brothers Leo (born in Germany in 1898) and Willy (born in 1900) Steel founded a knitwear manufacturing company in the mid-1930's at Munich, Bavaria. In 1932, they were joined by a nephew, W. Sharman. The business was small but prosperous.

When the Nazis forced Jewish people to give up their passports, the Steel brothers and W. Sharman began to look for ways of establishing themselves abroad. To enable them to undertake business trips abroad, - as a means of obtaining passports -, they started to export.

In the course of such a trip, Walter Sharman visited Holland, Belgium, France and Britain in October and November 1936. His main objective was to find a place to settle. During his visit to Britain, he saw an advertisement by the Tyneside Industrial Development Board in Russell Street Tube Station in London. He wrote to the Board (to a Mr. Fletcher, the predecessor of Stanley Holmes) and arranged to visit Newcastle upon Tyne on 11 November. He was shown round and the facilities of the Team Valley Trading Estate - construction had just began - were explained to him. He was impressed and started negotiations immediately. On his return to Munich, he reported favourably on the North East of England and the partners agreed to try to establish themselves on Tyneside.

Contact was made with the British Consulate at Munich and, through their good offices, the facilities of the Diplomatic Bag were used to communicate with the Tyneside authorities. One or more visits were paid to Britain and in May 1937, in the presence of the brothers Steel, the company was founded (at the Imperial Hotel in London). W. Sharman conducted the proceedings.

The partners and their families arrived on Tyneside in January 1938. So far as we have been able to establish, they were the first refugee industrialists to arrive on Tyneside.

On arrival, they were told that they were not to be settled at Team Valley, as foreseen, but on a new Trading Estates to be established at West Chirton, Tynemouth, near the mouth of the River Tyne. Their factory had not yet been built, construction started only in April 1938. In the meantime, the firm occupied premises at Hedley Hall, North Shields, (now demolished). Machinery was acquired from another refugee firm which was unable to carry on (the firm concerned was operating outside the North). Most machines were hand types, but there were a few automatic ones. The firm started to produce knitwear with a continental styling and made contact again with the export connections they had developed from Germany.

The firm moved into its proper factory in mid-summer 1938. The formal opening was performed by Sir George Gillett, the Commissioner for the Special Areas of England and Wales. The reason for this was that the factory was the

Great Northern Knitwear Ltd

first on the West Chirton Trading Estate, which was to gain real importance only after the War, when a large Army Depot nearby was converted into light factory units and included in the Estate.

The establishment of this firm caused some ill-feeling in the knitwear industry in the Lowlands of Scotland and was the cause of a Parliamentary question, and a leader in a local newspaper, to which we have made more detailed reference in chapter 5. of our text.

The partners were able to salvage only a small amount of capital from Germany and, even with the help from S.A.R.A., the business was seriously undercapitalised. This was a serious handicap in the development of the firm.

In the spring of 1939, the partners learned that two other refugees from Germany intended to set up a knitwear concern. They were Max Hofmann from Kassel (where he was a partner in a similar business), and Arthur Stern from Bielefeld. M. Hofmann and A. Stern were eventually brought into the business and they and their families moved to Tyneside in the summer of 1939.

The business progressed well during the first year of the War, but in May 1940, the partners were interned, as was their Austrian foreman. Their wives and families had to leave the area a few weeks later. Somehow, the business survived. All the partners were released again in the autumn of 1940 and they and their families returned to Tyneside. The factory, however, was requisitioned for war purposes. Alternative accomodation was secured at Chirton Cottages, now demolished.

Arthur Stern died during the latter part of the War.

After the end of the War, the firm moved back into its factory at West Chirton.

Walter Sharman left the firm in 1947 in order to set up in business on his own. He bought a small knitwear company established at Walker, Newcastle upon Tyne, H. Sutcliffe (Newcastle) Ltd, (see also case history no.30, Rema Ltd).

The business was acquired by Hine Parker Ltd in 1966, and in 1970 by its present owners.

Up to the early 1960's, the company produced ladies' fashion knitwear on flat machines. While producing a better quality, these machines could not compete with the output of the circular machines widely used in the Leicester knitwear industry. A decision was made to concentrate on higher quality products which were less price-sensitive, and which had a higher material content. As a result, the business changed to the production of men's cardigans in the upper quality range and made from pure wool. In addition to producing goods with its own 'Priory' label, the firm makes goods under the label of well-known names of men's shops such as Horne's, Greenwood, and also for Littlewoods.

Great Northern Knitwear Ltd

The designs of the firm still lean towards continental styling.

The original pre-War factory at West Chirton was extended to 28,000 sq.ft. and is used as head office and make-up works, while the knitting department is housed in a new factory of 25,000 sq.ft. some half mile away. The relatively high ratio of floor space to labour employed is due to the use of automatic machinery.

The brothers Steel died in the late 1960's or early 1970's, but Max Hofman, although over 80 years old, was still actively engaged in obtaining orders for the business all over Britain at the time we conducted the interview (May 1977).

Case History Reference: 16. II/a

Firm: HEATON PAPER COMPANY LTD

Address: Eldon Street
Gateshead, 8, Tyne & Wear

Founder(s): Nonek Jacobsohn

Founder(s)' Capital: £ 100

Year of Foundation: 1946

Product(s): Paper and plastic novelties

Employment on the 1.11.1974: 100, inc 50 outworkers

Volume of Sales in 1974: Not made available

Exports in 1974: 25%

Last - known Ownership: Founder and family

Source of Information: Founder

Were similar Products made or
sold in country of origin? Does not apply

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation:

Post - 1940 Foundation: Spin-off from refugee firm in Newcastle upon Tyne

For Pre-War Foundations only

Contact with Special Area
Development Organisation:

Assistance from Special Area
Financial Sources:

Documents Available: No

Heaton Paper Company Ltd

Nonek Jacobsohn was born in Warsaw, Poland, in 1916. From 1933 to 1937 he studied Agriculture in Palestine and then went to Toulouse, France, for further studies. There he met up again with M. Waksman (see case history no.24, Matador Paper Mills Ltd), who had followed the same course of training in Palestine. Together they succeeded in escaping from France to Britain after the defeat of France in 1940. While waiting to join the British Army, - the call-up papers never arrived -, Nonek Jacobsohn worked on the shop floor for a number of engineering firms in London.

In March 1944, he came to Newcastle upon Tyne to join Willard Paper Mills Ltd (see no.18 of firms no longer in existence). The circumstances which resulted in this move are described in case history no.24.

Shortly after M. Waksman had set up Matador, Nonek Jacobsohn joined him as a junior partner, but within a short time he set up his own business.

At first, he produced paper and carrier bags, like Matador. Later, the firm started to produce carnival hats and other novelties and these lines have remained the firm's lines ever since. It is believed that the firm is now the largest producer in Britain in this field.

The production is highly mechanised. In 1962, the firm introduced the production of carnival hats by vacuum forming techniques, using plastic materials. Exports form an important part of the firm's business.

Case History Reference: 17. I/a/M

Firm: F. HELLER AND COMPANY LTDAddress: India House, Carliol Square
Newcastle upon Tyne, 1Founder(s): F.B. HellerFounder(s)' Capital: SmallYear of Foundation: Believed 1939Product(s): Boys' sports wearEmployment on the 1.11.1974: 100Volume of Sales in 1974: Not made availableExports in 1974: SmallLast - known Ownership: Founder's familySource of Information: Mrs. M. Heller, widow of founder's sonWere similar Products made or
sold in country of origin? NoReason for Establishment in a
Special Area of the North:Pre-War Foundation: Not knownPost - 1940 Foundation:For Pre-War Foundations onlyContact with Special Area
Development Organisation: Not knownAssistance from Special Area
Financial Sources: NoDocuments Available: No

F. Heller and Company Ltd

F.B. Heller was born in Teplice, Bohemia, in 1892. In the early 1920's he set up a company in his native city manufacturing braces, including decorative braces. The firm became well-known in Czechoslovakia and, because there were many families in Teplice and elsewhere with the same surname, he became known as the 'Braces' Heller.

It is believed that F.B. Heller came to Britain shortly after the Munich crisis of September 1938 and that his family followed him in May 1939.

He applied to the Home Office for permission to set up a firm in Britain. Permission was granted on condition that he started his factory in one of the Special Areas. The reason for the choice of the North East is no longer known.

The firm was established early in 1939 at Team Valley Trading Estate, Gateshead. The intention was to produce decorative braces, but it was soon found that the market was too small. With the start of the War, the firm manufactured shopping bags, handbags and gas mask cases, as also headlamp shields for motor vehicles complying with the black-out regulations.

In 1941, the firm moved to premises in Fenkle Street, Newcastle upon Tyne - it is believed that its factory at Team Valley was requisitioned for war purposes -, and in 1959 to its present address. 30 people were employed fairly soon after the start of the business.

In 1949 the firm started the production of boys' imitation leather jerkins, which were sold largely through Army surplus stores. Gradually, better quality products were developed, particularly anoraks and other casual wear. Stores like Harrods and John Lewis were supplied. Exports, except to Ireland, are not significant.

Frank Heller, the founder's son, took over the management of the business in 1960. The founder died in the early 1970's, and Frank Heller in 1973, at the early age of 50. Since then, his widow has carried on the business.

Case History Reference: 18. A/II/b

Firm: JOYCE, LOEBL AND COMPANY LTD
(now Joyce-Loebl Ltd)
Sevcon Engineering Ltd
(now Sevcon Ltd)

Address: Team Valley Trading Estate
Gateshead, 11

Founder(s): Herbert Loebl
Robert Henry Joyce

Founder(s)' Capital: £ 3,000

Year of Foundation: 1951

Product(s): Scientific Instruments
Electronic Controls

Employment on the 1.11.1974: 650 (in North)

Volume of Sales in 1974: £ 4.6 million

Exports in 1974: Scientific Instruments: 65%
Electronic Controls: 30%

Last - known Ownership: Joyce Loebl: Vickers Instruments
Sevcon: Technical Operations Inc, USA

Source of Information: Herbert Loebl

Were similar Products made or
sold in country of origin? Does not apply

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation:

Post - 1940 Foundation: Father of Herbert Loebl was co-founder
of a refugee firm on Tyneside

For Pre-War Foundations only

Contact with Special Area
Development Organisation:

Assistance from Special Area
Financial Sources:

Documents Available: Large collection of documents on all aspects of
the firm's history

Joyce, Loeb1 and Company Ltd

Herbert Loeb1 was born in Bamberg. Germany, in 1923. A few months after starting an apprenticeship as a toolmaker in the family manufacturing concern in his home town, he left Germany in December 1938 and came to Britain to continue his education, since it was no longer possible for Jewish children to go to college in Germany. His father, Robert Loeb1, was the co-founder of Loblite Ltd (see case history no. 23) and when he came to Tyneside to start a factory, H. Loeb1 joined the firm. From 1943 to 1945, he was engaged on war work in the London area. After the War, he studied Electrical Engineering at Newcastle and on graduating in 1949 - a few weeks after the death of his father - he joined a large Tyneside electrical firm, where he met his future partner, Robert H. Joyce. In February 1951, H. Loeb1 set up on his own.

R. H. Joyce was born in Jarrow in 1920. His father was a shipyard worker who had been unemployed for many years before the War. In spite of an unsatisfactory secondary education, R.H. Joyce rose to the rank of Major in a technical branch of the Army, which he joined towards the end of the War. On demobilisation, he was able to study Electrical Engineering and graduated also in 1949.

R. H. Joyce joined the new firm in May 1951.

For the first few months, the firm operated in a small workshop under the railway arches at Painters Heugh, Dean Street, Newcastle upon Tyne (now demolished), and in October 1951, it moved into part of a disused school at Vine Lane, Newcastle upon Tyne, the premises of a small firm of electrical contractors acquired by the family of H. Loeb1. At that time, it was not possible for local firms, new or established, to rent space in Government factories, which was reserved for firms moving into the area.

The start of the firm was very slow. It repaired electrical meters for ships, it produced specialised electrical equipment for school laboratories and it was one of the first firms in the North East to offer electronic assembly services. Its main customer in the first few years was a local firm of scientific instrument makers associated with a large local electrical firm. In the first year, sales amounted to £ 5,000.

A chance meeting with a former University colleague led to the first product: A complex scientific instrument, developed by a University Hospital laboratory, involving fine mechanical, electronic and optical elements. This instrument was the forerunner of a range of ever more complex instruments, which eventually enjoyed an international sale and reputation and were often referred to in the scientific literature in a number of then topical areas of research, including astronomy, molecular biology and atomic energy.

Joyce, Loeb1 and Company Ltd

A defence contract obtained early in 1954 enabled the firm to employ a number of professional electronic engineers. The contract was the start of a rapid expansion of the business. Additional premises for offices and laboratories were rented at 31, Simpson Street, Newcastle upon Tyne (now demolished).

As a part of its sales efforts, the firm started to attend national and international exhibitions, often arranged in conjunction with scientific conferences. This led to the foundation of a considerable export business. As a result of a meeting in Amsterdam in May 1956 at one of such exhibitions, a joint venture, Optica UK Ltd, was set up with an Italian company in 1957 to produce the first recording ultraviolet spectrophotometers in Britain. The Optica company was able to obtain a factory at Team Valley, Gateshead, and this, in turn, led to the eventual move to Team Valley of the Joyce Loeb1 business and to its growth there. The original floor space for all the activities at Team Valley was 15,000 sq.ft. The association with Optica lasted until 1962, when the Optica UK company was sold to Baird & Tatlock Ltd.

In 1961, development work was started on a loss-free, continuously variable control for D.C. motors used in battery-electric vehicles like fork trucks, using the then new solid-state components. A company, Sevcon Engineering Ltd, was set up jointly with Smith Electric Vehicles Ltd, a Team Valley maker of battery-electric milk delivery vehicles, in which Joyce Loeb1 held control.

By 1962, the possibilities and the viability of this kind of control had been tested in the laboratory of Joyce Loeb1, but the major field of application was found not in battery-electric road vehicles, but in fork trucks, the use of which was growing rapidly. Lansing Bagnall, the largest British manufacturer of such trucks, replaced Smith Electric Vehicles as partners in 1962. The association lasted until 1968, when Joyce Loeb1 bought back the Lansing Bagnall interest, so that it then owned 100% of the Sevcon company.

In 1963, Sevcon was set up under separate technical management and in premises of its own, and in 1969, a tailor-made factory was built by Sevcon at Team Valley on land leased by the Estates Corporation. Architecturally, this turned out one of the most remarkable factories in the North East and the official opening was performed by the Parliamentary Secretary to the Ministry of Technology, Mr. Nicholas Ridley MP in October 1970. The space becoming available was 25,000 sq.ft.

A section of the firm which produced Analogue Computers was set up as a separate venture, System Computers Ltd, in partnership with a subsidiary of C.A. Parsons & Company Ltd (International Research and Development Ltd)

Joyce, Loeb1 and Company Ltd

in 1962. The Joyce Loeb1 interest was acquired by C.A. Parsons in 1964.

The growth of the Joyce Loeb1 business can be illustrated by the increase in the space occupied at Team Valley: Between 1958 and 1974 it increased from 15,000 to 75,000 sq.ft.

Sales of instruments were obtained through technical sales and service agents in 25 countries, supported by attendance at international exhibitions. A London sales and service centre was established in 1962. Subsidiary sales companies were set up in France and Germany. In the late 1960's, the USA was the largest market, by the middle of the 1970's, Russia had taken its place.

Sales of electronic controls were made directly to the relatively small number of manufacturers of battery-electric fork trucks, and later to makers of battery-electric locomotives and other specialised vehicles at home and abroad. Manufacture was started in France in 1972 and in the USA in 1973.

In 1967, a quarter of the share capital of Joyce Loeb1 was acquired by Technical Operations Inc of Burlington, Mass, with whom there had been a close technical cooperation for a number of years. In 1969, Technical Operations acquired the remaining capital of the company. R. H. Joyce retired from the firm in 1971, but Herbert Loeb1 remained chairman until 1974.

For technical reasons, Sevcon became a direct subsidiary of Technical Operations Inc in 1972. Joyce Loeb1 was sold to the Vickers Group in 1977.

Joyce Loeb1 won a Queen's Award for Exports in 1967, the second year of the Award, and was, therefore, among the first 200 or so British companies to win it. Sevcon won the same Award after our key date. Herbert Loeb1 was awarded the OBE for services to exports in 1973.

Spin-Off:In the NorthManufacturing

Brooks & Sons (Instruments) Ltd, Back West Avenue,
Newcastle upon Tyne, 3

Gordon Brooks was one of the first apprentices of Joyce Loeb1. After completing his national service, he set up an instrument repair service and later took over the interests of Joyce Loeb1 in this field. He also developed the manufacture of small specialised instruments and electronic items.

Chemical Electronics (Birtley) Ltd, Unit 39, Hutton Close,
Crowther Industrial Estate, Washington, Tyne & Wear

This firm was set up in 1964 by George Pearson, a development

Joyce, Loeb1 and Company Ltd

engineer at Joyce Loeb1. Initially, the firm exploited the field of precision potentiostats developed at the Department of Chemistry at Newcastle University. The firm was later acquired by James Hambleton, former technical director of Joyce Loeb1 for 15 years. This firm itself produced two spin-offs: Hermes Controls Ltd and Pearson-Charlton Engineering.

Fiddis Controls Ltd, Armstrong Road, Newcastle upon Tyne, 5

Derek Brown was a development engineer at Sevcon, and Derek Tither a sales engineer with the same firm. They set up this firm in 1975 to exploit developments with which they were concerned at Sevcon, which Sevcon did not proceed with.

Industrial Component Services Ltd, Bill Quay, Gateshead, T & W

B. Postle was an apprentice toolmaker at Joyce Loeb1. In the middle of the 1970's he set up an engineering firm whose object was to produce any spare part for plant or machinery which could not be obtained from the original manufacturer

Lobic Controls Ltd, Sunderland

Johan Loberg, a Norwegian, was a development engineer at Sevcon. On being made redundant, he set up this firm to produce electronic controls similar to those he was concerned with at Sevcon. The firm is believed to have started in 1977.

Low Voltage Equipment (North East) Ltd, Addison Industrial Estate, Blaydon on Tyne

R. Mitchell was a foreman on a small production line at Joyce Loeb1 making low-voltage equipment for school laboratories. When Joyce Loeb1 divested itself of this line in the late 1960's, it was agreed that R. Mitchell should carry on the line in a firm of his own.

McNally Instruments (no longer in existence)

Gordon McNally was an apprentice electronic engineer at Joyce Loeb1. Before finishing his apprenticeship he set up on his own to produce instruments and to offer a consultancy service.

Semas Instruments Ltd (no longer in existence)

W. Keenleyside was a graduate physicist at Optica UK. In the middle of the 1960's, he set up a small engineering firm.

In other parts of the countryJoyce, Loeb1 and Company Ltd

Tervin Controls Ltd, Horseshoe Lane, Pangbourne, Berks

Terry Vincent was an apprentice electronics engineer at Joyce Loeb1. Some years after completing his apprenticeship, he moved South and, after gaining further experience, set up his own firm producing controls. His firm employs 80 people.

Development & Consulting Firm

Nada Electronics Ltd, 220, Durham Road, Gateshead, Tyne & Wear

David Gurwicz was a graduate engineer at Joyce Loeb1 from 1960 onward. He started the development work of solid-state controls and later became chief engineer and Managing Director of Sevcon. He set up his own firm in 1976, undertaking substantial development contracts for leading British firms in the field of battery-electric traction.

Sales & Service Organisations

Cassidy Scott Instruments, address unknown

Michael Casssidy was an apprentice electronics engineer at Joyce Loeb1, who worked in the USA for the firm for some years.

Gilbert Scott was a development engineer at Joyce Loeb1. In the middle of the 1970's they formed a partnership, importing and servicing major scientific instruments.

Curry & Maughan, 5 Bewick Garth, Stocksfield, Northumberland

Stephen Maughan was an electronics engineer at Joyce Loeb1. His firm sells and services electronic equipment.

T. E. Hutchinson, 111, Rydal Road, Chester le Street, Co. Durham

The founder was an electronic fitter at Joyce Loeb1 and later at Sevcon. In 1965 he set up an organisation selling and servicing electronic organs.

M.I. Scientific (International) Marketing Ltd
Exchange Buildings, Newcastle upon Tyne, 1

Ian Fraser was a project engineer at Joyce Loeb1 for over 10 years. In 1977, he set up a marketing company together with the Austrian agent of Joyce Loeb1, importing and servicing some specialised scientific products. He remains a consultant to Joyce Loeb1.

In London

Frost Instruments Ltd, Woking, Surrey

Peter Frost was manager of the London Office of Joyce Loeb1. In the early 1970's he set up his own sales company for Laboratory supplies and equipment, serving, it is believed, mainly the London area.

Case History Reference: 19. A/II/b

Firm: L.C. (TAYLORWEAR) LTD

Address: Sunco House, Carliol Square
Newcastle upon Tyne, 1

Founder(s): Hans Lesser

Founder(s)' Capital: Small

Year of Foundation: 1943, incorporated in 1945

Product(s): Girls' outer wear

Employment on the 1.11.1974: 200

Volume of Sales in 1974: Not made available

Exports in 1974: 25%

Last - known Ownership: L.C. Pullman Ltd

Source of Information: R.D. Murton, Managing Director

Were similar Products made or
sold in country of origin? Does not apply

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation:

Post - 1940 Foundation: Father of founder was one of the founders
of a refuge firm on Tyneside

For Pre-War Foundations only

Contact with Special Area
Development Organisation:

Assistance from Special Area
Financial Sources:

Documents Available: No

L.C. (Taylorwear) Ltd

Hans Lesser was born in Silesia, Germany in 1922. He came to Newcastle upon Tyne with his parents in 1939. His father was a founder of Burrell and Maurice Ltd (see case history no.6).

H. Lesser learned the tailoring trade at Team Valley Clothing Co.Ltd (see no. 16 of firms no longer in existence) and with a Leeds firm.

At the age of 21, he set up his own company in premises at Pudding Chare, Newcastle upon Tyne. In 1945, the brothers A. and M. Caplan, owners of a local textile warehouse, became sleeping partners and from then on, the business began to grow rapidly, in spite of the material supply problems during the period immediately after the War.

For many years, the firm specialised in boys' suits. In the early 1970's the firm changed over to girls' outer wear. The products are in the medium to high-class trade and stores like Harrods, Selfridges, Dickins and Jones, and John Lewis are being supplied.

In 1965, the firm was acquired by Bliss, Rothenberg & Noble, and in 1972 by its present owners. Hans Lesser continued as Managing Director until his sudden death in July 1975.

This firm is one of 6 founded by a 'dynasty' and reference to the family relationships and the firms which were founded is made in Appendix 18.

Case History Reference: 20. II/a/M

Firm: IESTAWEAR LTD

Address: 264, Sunderland Road,
Gateshead, 8, Tyne & Wear

Founder(s): Henry Stark, Moses Kaufmann and Max Lesser

Founder(s)' Capital: Small

Year of Foundation: 1948

Product(s): Tartan Kilts

Employment on the 1.11.1974: 50

Volume of Sales in 1974: Not made available

Exports in 1974: 75%

Last - known Ownership: Henry Stark

Source of Information: Henry Stark, one of the founders

Were similar Products made or
sold in country of origin? No

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation:

Post - 1940 Foundation: Henry Stark married daughter of M. Kaufmann,
one of the founders of a pre-War refugee firm
on Tyneside

For Pre-War Foundations only

Contact with Special Area
Development Organisation:

Assistance from Special Area
Financial Sources:

Documents Available: No

Lestawear Ltd

Henry Stark was born in Frankfurt am Main, Germany, in 1921, but he was a Polish national. He was apprenticed to the textile trade (with Aumann & Raab, a well-known German manufacturer). Because of the Nazis, he left Germany in 1939 and came to Britain. After some studies and service with the Polish Forces, he became a sales representative. After the War, he represented a refugee manufacturer in Manchester producing buttons.

In 1948, he came to Tyneside to marry the daughter of Moses Kaufmann, (see case history no.6), and, together with him and his partner Max Lesser, set up this firm in premises in High Street, Gateshead. In 1953, the firm moved to its present premises.

The firm now specialises in tartan kilts and exports at least half of its output. It has agents in a number of countries and a showroom in London. Among prominent stores, Harrods is an important customer.

Apart from the premises at Gat had, there is a smaller workshop at Cross Carliol Street, Newcastle upon Tyne, where the pleating department is located.

This firm is one of 6 founded by a 'dynasty' and reference to the family relationships and the firms which were founded is made in Appendix 18.

Case History Reference: 21. A/ I/a/M

Firm: LIME SAND MORTAR LTD
(now a division of Tilcon Construction Services Ltd)

Address: Greenside
Ryton on Tyne, (Local plant only)

Founder(s): Richard Ollendorf and Dr. Ernst Schweitzer

Founder(s) ' Capital: £ 1,500

Year of Foundation: 1939

Product(s): Ready-mixed mortar

Employment on the 1.11.1974: 60 (in the North)

Volume of Sales in 1974: £ 8 Million

Exports in 1974: None, plants abroad.

Last - known Ownership: Division of Tilling Construction Services Ltd
Thomas Tilling Group

Source of Information: Mrs. U. Meinhard, daughter of Dr. E. Schweitzer,
one of the founders, Colin B. Clarke,
Managing Director

Were similar Products made or
sold in country of origin? Yes

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation: More suitable raw material (sand) than in
other Special Areas

Post - 1940 Foundation:

For Pre-War Foundations only

Contact with Special Area
Development Organisation: Not known

Assistance from Special Area
Financial Sources: No

Documents Available: Balance sheet 1940/41

Lime Sand Mortar Ltd

Richard Ollendorf and his family owned the largest privately-held cement works in Germany, near Jena in Thuringia. It is believed that he was born in the early 1880's.

The father of Dr. Ernst Schweitzer founded the firm of Moertelwerke Fedor Schweitzer & Co and acquired a lime works at Koepenik near Berlin in 1896. Dr. Schweitzer is believed to have been born in Berlin in the middle of the 1880's.

The families Ollendorf and Schweitzer were friends of long standing and when they were forced to sell their firms by Nazi decree and realised they had to leave Germany, they decided to emigrate together and set up a ready-mixed mortar plant abroad.

The Home Office offered them the opportunity to come to Britain, if they were willing to settle either in Wales or on the North East coast. They chose the North East because of the availability of suitable sands. They brought with them Wolfgang Pelz who had been an executive in the Schweitzer lime works at Koepenik. He was to play a major role in the post-War growth of the British firm.

Their resources were small, but they brought with them drawings for a ready-mixed mortar plant and they had considerable confidence in the future of their product. They arrived on Tyneside a few months before the start of the War in 1939.

The plant was made by a local engineering firm for a price believed to have been less than £ 1,500, including foundations and lime pits.

Before starting operations, they made a contract with Burnhills Sand and Gravel Co. Ltd of Ryton on Tyne for the supply of sand for a period of 20 years. The site for their plant was leased to them by the sand quarry company. The Directors of Burnhills were Mr. (later Sir) Albert Braithwaite, Mr. Vernon Wilson and Mr. Colin P. Clarke. Because of later developments, the membership of the Board is of some importance.

The mortar was made by mixing lime and water in certain proportions, leaving it to stand for several days and then mixing it with sand. The mortar was delivered ready-mixed to building sites, saving much time and effort on site and ensuring a uniform quality.

Great interest was shown both in the method of making mortar and in having it delivered ready-mixed. Although there was only a limited building activity because of the War, many trial orders were obtained from builders and architects, but in the spring of 1940 the City Architect of Newcastle upon Tyne decided against the use of mortar in shelter construction - a major building activity in those days - and it became clear that the firm would have to close down for the duration of the War. In May 1940, the partners

Lime Sand Mortar Ltd

were interned and when they returned late that year, Dr. Schweitzer became very ill. It was decided to sell the firm. Dr. Schweitzer died in 1942 and Richard Ollendorf in 1945.

The firm was acquired in 1942 by Major Braithwaite (the son of Sir Albert Braithwaite), Mr. V. Wilson and Mr. Colin P. Clarke, with some equity being reserved for Wolfgang Pelz, who joined the new set-up as manager. The arrangement was that he should receive a royalty for each ton produced.

Although the demand throughout the War was extremely small (total sales for the years 1942 - 1945 were £ 50,000), the new owners built another plant near Knaresborough, Yorkshire, which started late in 1942.

Immediately after the end of the War, plants were built near Manchester and at Sevenoaks, Kent. With four plants, annual output rose from 30,000 tons in 1945 to 500,000 tons in 1952.

In 1950, A. Braithwaite & Co. Ltd, which owned both the Burnhills Sand and Gravel Company and another sand quarry at Knaresborough, became a wholly-owned subsidiary of Lime Sand Mortar.

In 1952, Lime Sand Mortar started the production of ready-mixed concrete under the name Trumix. The first plant was at Leeds. This product was a logical extension of the idea brought to Britain by R. Ollendorf and Dr. E Schweitzer. This venture, too, grew very rapidly.

By 1953, Lime Sand Mortar was a highly successful private company with profits of about £ 250,000 per annum. Because of the delicately-balanced shareholding, the death of any one of the partners would have placed the firm in a difficult position, because of estate duty. Early in 1953, therefore, 40% of the equity was sold to Thomas Tilling, a further 40% in 1955 and the remainder in 1963.

From then on, the firm grew very rapidly indeed. In 1970, two quarry companies belonging to Thomas Tilling were merged with Lime Sand Mortar and Tilcon Construction Services Ltd was formed.

By 1974, the business had a turnover of almost £ 90 million and employed 6,000 people. There were 70 ready-mixed concrete plants, a substantial number of quarries, and 25 ready-mixed mortar plants in Britain. There are also ready-mixed mortar plants in Bruxelles and Antwerp and in Amsterdam, as well as in South Africa. Although the idea for ready-mixed mortar arose on the Continent, Lime Sand Mortar was able to establish itself there because of its advanced production technology.

In 1974, 2 million tons of ready-mixed mortar were produced in Britain. Sales of ready-mixed mortar products, which now included also coloured mortars, amounted to £ 8 million.

Lime Sand Mortar Ltd

The relatively small employment in ready-mixed mortar production in the North (we have not taken into account employment in the production of ready-mixed concrete) is due to the fact that only 2 of the 25 plants are located there. The total employment in the Lime Sand Mortar division of Tilcon is about 600, of which only 60 are employed at the two plants at Greenside, Ryton on Tyne and at Thornaby on Tees. Of these, 20 are engaged in transport. This small number of people in transport is due to the fact that Lime Sand Mortar hires almost all its vehicles, so that the indirect employment is relatively large.

Wolfgang Pelz died some years ago at the age of 62. His son Walter ran a Canadian ready-mixed mortar plant for some time, but this business was sold.

We have taken account only of the ready-mixed mortar division of Tilcon Construction Services Ltd in our statistical analysis, i.e. of the operation initiated by the two refugee industrialists.

Through the courtesy of the Managing Director of Tilcon, Colin P. Clarke, we have received a copy of the balance sheet of Lime Sand Mortar Ltd for the second year of the company ending August 1941. From this we noted that sales in the year were £ 3,959 and that a loss of £ 2,050 was made. The unfortunate refugee founders arrived at the wrong time, but they laid the foundations of a major industry.

Case History Reference: 22: I/a/M

Firm: LION BRUSH WORKS LTD
Securos Ltd

Address: Planet Place, Killingworth
Newcastle upon Tyne, 12

Founder(s): Martin Lion

Founder(s)' Capital: Small

Year of Foundation: 1944 (Split from pre-1940 foundation)

Product(s): Brushes

Employment on the 1.11.1974: 190

Volume of Sales in 1974: £ 500,000

Exports in 1974: 15%

Last - known Ownership: Founder's family

Source of Information: Kurt Lion, son of founder

Were similar Products made or
sold in country of origin? Yes

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation:

Post - 1940 Foundation: Split from refugee firm on Tyneside

For Pre-War Foundations only

Contact with Special Area
Development Organisation:

Assistance from Special Area
Financial Sources:

Documents Available: No

Lion Brush Works Ltd

Martin Lion was one of the founders of Team Valley Brush Company Ltd (see case history no.33), and his background is recorded in the case history of that firm.

In 1944, M. Lion separated from Team Valley Brush Company and set up his own business in an old house in Charlotte Square, Newcastle upon Tyne. He produced artists' brushes and rifle brushes for the Services. Because of shortages after the War, the firm started the production of flat varnish brushes, but by 1950 the old-established firms became dominant again and the firm withdrew from this trade, concentrating on artists' brushes. For a time, there was little growth. In 1946, the founder's son Kurt joined the firm, after having graduated in Mechanical Engineering .

By 1960, the Charlotte Square premises had become too small. A factory was built at Back Heaton Road, Newcastle upon Tyne. The founder had retired in 1959 and died in 1962.

By 1964, the Heaton factory became too small and the firm moved to a new factory at Killingworth New Town, on the northern edge of Newcastle, designed specially for the firm's production. There followed a steady expansion.

In the late 1960's, the firm entered the field of machine-made brushes and also developed an all-plastic brush for the toy industry. At the same time, brushes for the cosmetics market were introduced and the firm is now supplying most of the big cosmetics houses in Britain and, to a smaller extent, in France.

Securos Ltd was started in 1947 by Lion Brush Works Ltd together with their London Director, H.A. Robertson, to produce nail varnish brushes with metal ferrules. This firm started in old premises in Scotswood Road, Newcastle upon Tyne, but in 1952 it moved to a new factory at Brunel Street, Newcastle upon Tyne. Securos developed automatic brush-making machines and started injection moulding. Because of its technical developments, it became highly competitive.

When Lion Brush Works moved to Killingworth, a factory was built for Securos on adjoining land. H.A. Roberts retired in 1973 and Securos became a wholly-owned subsidiary of Lion Brush Works Ltd, although it is still carried on as a separate firm. It produces all the injection mouldings required by Lion Brush Works.

The widow of the founder, Mrs. B. Lion, was working in the business until a few days before her death in September 1975, aged almost 80. Through her, the tradition of the firm went back for 100 years, her father having founded the original firm in Germany in 1875.

Case History Reference: 23. I/a/M

Firm: LOBLITE LTD

Address: 3rd, Avenue, Team Valley Trading Estate
Gateshead, 11, Tyne & Wear

Founder(s): Fritz S. and Robert Loeb1

Founder(s)' Capital: £ 2,000

Year of Foundation: 1939

Product(s): Electrical accessories and small metal ware

Employment on the 1.11.1974: 65

Volume of Sales in 1974: £ 1 million

Exports in 1974: small

Last - known Ownership: Family of F.S. Loeb1

Source of Information: Herbert Loeb1 and George F. Loble JP, sons
of the founders

Were similar Products made or
sold in country of origin? Yes

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation: Closeness of Scandinavian markets

Post - 1940 Foundation:

For Pre-War Foundations only

Contact with Special Area
Development Organisation: No

Assistance from Special Area
Financial Sources: No

Documents Available: No

Loblite Ltd

The brothers Loeb1 were born in Bamberg, Bavaria, Fritz in 1886 and Robert in 1892. They were manufacturers of electrical accessories in their home town. Their father had carried on an electrical wholesale business since the turn of the century and, after the end of the first world War, the brothers developed a small manufacturing business. In 1928, a new factory was built on the outskirts of Bamberg and from then on the business grew rapidly. Employment was around 200. A large part of the output, particularly a specialised (waterproof) electrical fitting system, was exported to Scandinavian and West European countries. In October 1938, the brothers were forced to sell their business by Nazi decree.

It is not known why they tried to settle in Britain. While Fritz Loeb1 had spent some time in Britain before 1914 in order to learn the language, Robert had never been to Britain at all. None of the products manufactured in Germany were suitable for the British market. It is probable that it was the intention to manufacture the same lines as in Germany and to supply the export customers first, and to develop lines for the British market later.

The representatives of the German firm in Holland and Belgium, who were friends of the brothers, provided about half the capital for the British venture and became shareholders. It was, no doubt, agreed that, as soon as deliveries could be made from the British factory, orders would be switched. The other half of the capital was smuggled out of Germany in small amounts during the course of the frequent export trips undertaken by Robert Loeb1.

It is likely that the choice of Britain was forced on the brothers Loeb1. They left it very late before deciding they had to get out of Germany and their willingness to set up in a Special Area made Britain the only possible country to which they could flee. The original intention was to start at the Treforest Trading Estate near Cardiff, Wales, but after a visit to Tyneside, it was decided to set up there, because of the closeness of the Scandinavian markets.

The brothers and their families arrived in Britain in May 1939. A small office was leased in Ropemaker Street, in the City of London, to carry out preparatory work. The brothers arrived on Tyneside in September 1939, when War had already started. This made it impossible for them to carry out their plans to supply the West European and Scandinavian markets. A 6,000 sq.ft. factory was leased at Team Valley Trading Estate, nevertheless, and the development started of a few items from the German manufacturing programme for the small Irish market, which had largely adopted German electrical standards. Because of the difficulty of supplies from Germany, a market was developing, but the tooling costs made deep inroads into the small capital of the firm. The engineering plant installed was used for engineering

Loblite Ltd

jobbing work, but the total business was small and failed to pay even a modest salary for the brothers, who had families to support.

In May 1940, the brothers were interned, together with the sons who had worked in the business. During this period, the business was carried on by a foreman and by a neighbour of Robert Loeb1, who had put up £ 500 for a stake in the business. The firm just managed to keep alive. Fritz Loeb1 was released from internment in September 1940, but Robert did not return until May 1941.

Apart from the small business in fuse boxes for the Irish market and the development of metal ferrules for paint brushes, the business survived the War by making parts for munitions and armaments.

Immediately after the War, some lines formerly produced in Germany were introduced for sale in Scandinavia and, to a smaller extent, in Holland and Belgium. Within 5 years after the War, however, the Germans were again able to deliver, and at much lower prices than was possible from Britain, so that this business was short-lived.

It was at this time that the development of electrical accessories for the British market began and, although small at first, the business developed steadily. In some specialised lines, the firm is now a major producer.

Robert Loeb1 died suddenly in 1949, and Fritz Loeb1 in 1956. The business was then carried on by R.F. and G.F. Loble, the sons of Fritz Loeb1. Herbert Loeb1, the son of Robert, set up his own manufacturing business in 1951 (see case history no.18, Joyce, Loeb1 & Co.Ltd). R.F. Loble died in 1965.

Apart from manufacturing a proprietary range of products, the firm imports porcelain light fittings from the successors of the old German company, with whom relations were established after the War.

Sales increased steadily and in 1972, the factory occupied since 1939 was acquired from the Estates Corporation and a 12,000 sq.ft. extension built, so that the original floor space has now trebled. In addition, the firm still rents three adjacent factories of 6,000 sq.ft., so that the total floor space is now 36,000 sq.ft.

The business has a nation-wide network of sales representatives. The labour force was 120 at one time, but with improved plant and machinery a greater volume of production is now achieved with 65 employees. The firm operates its own tool room and produces and maintains its own press and moulding tools, jigs and fixtures.

Since the death of R.F. Loble, the business has been carried on by G.F. Loble JP.

Spin-off: None known

Case History Reference: 24. A/II/a

Firm: MATADOR PAPER MILLS LTD

Address: Felling Industrial Estate
Gateshead, 10, Tyne & Wear

Founder(s): Marek Waksman

Founder(s)' Capital: £ 100

Year of Foundation: 1945

Product(s): Fancy paper, toilet paper, industrial papers

Employment on the 1.11.1974: 550, inc. 300 outworkers

Volume of Sales in 1974: Not made available

Exports in 1974: " " "

Last - known Ownership: Wilson Brothers (Publishers) Ltd

Source of Information: Founder

Were similar Products made or
sold in country of origin? No

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation:

Post - 1940 Foundation: Spin-off from refugee firm in Newcastle

For Pre-War Foundations only

Contact with Special Area
Development Organisation:

Assistance from Special Area
Financial Sources:

Documents Available: No

Matador Paper Mills Ltd

Marek Waksman was born in Lublin, Poland, in 1917. In 1932, he went to Palestine to study Agriculture, and in 1935 he moved to the Faculty of Agriculture at the University of Toulouse, France. While working on his thesis, war broke out. This made it necessary for him to seek work in order to be able to continue his studies. He joined the laboratory staff of a munitions factory at Toulouse.

At Toulouse, he met Nonek Jacobsohn (see case history no.16, Heaton Paper Company Ltd), who had followed a similar course of study in Palestine and at Toulouse. When France fell in June 1940, they managed to escape by securing a passage on one of the last British ships to sail from any French port. They arrived in Britain in July 1940.

M. Waksman's first job in Britain was to manage a farm in the Highlands of Scotland. 6 months later, he went to London to join a Government Training Centre at Ealing, training as a turner. On completion of the course, he became a chargehand turner at Victory Engineering Ltd in London.

In the spring of 1944, while walking in the West End of London, they were hailed by a man in a taxi. He was Adam Spiro, a fellow pupil of Marek Waksman from Lublin. A. Spiro's father and uncle had set up a paper converting factory at Team Valley, Gateshead when they arrived from Poland in 1938 (see no.6 of firms no longer in existence, Fancy & Crepe Paper Mills Ltd). Adam Spiro had set up his own business, Willard Paper Mills Ltd (see no.18 of firms no longer in existence) at Newcastle upon Tyne and he persuaded No. Jacobsohn and M. Waksman to visit him in Newcastle during the forthcoming Passover festival. A. Spiro engaged both for his new firm, which made toilet rolls, the only product for which paper allocations were available during the latter part of the War. The eventual foundation in the North of both Matador Paper Mills and Heaton Paper Company, therefore, resulted from a chance encounter in London.

In 1945, M. Waksman set up his own manufacturing business. Although his salary was small, he had managed to save £ 100. He had not yet decided what product to make, but he intended to stay in the paper trade, even if paper was still difficult to obtain, although the War was over.

He noted that a man selling carrier bags outside a Newcastle store seemed to enjoy considerable success. At about this time, the driver of a lorry carrying used cement sacks asked M. Waksman the way to a well-known local firm of waste paper merchants. After directing the driver, he asked for and was given one of the old sacks.

On examining the sack, M. Waksman noted that it had a number of layers, most of them made from good quality paper, and that the paper was perfectly clean and useable.

Matador Paper Mills Ltd

The encounters with the carrier bag salesman and the lorry driver proved to be the start of M. Waksman's very successful business. He used the paper from the sack to make sample carrier bags and these led to orders from a number of customers, including Woolworth.

Small premises were rented at Heaton Road (corner Shields Road) at Newcastle upon Tyne. Nonek Jacobsohn became a minority partner for a time. The firm was also joined by a Mr. Lichtenstein, who had been with Fancy & Crepe Paper Mills Ltd and later set up his own manufacturing business (see no.11 of firms no longer in existence, Passmill Ltd).

For about 5 years, Matador produced mainly carrier bags. The premises at Heaton Road soon proved to be too small and additional space was rented at Hebburn (3,000 sq.ft.). Other products were introduced, including Christmas crackers, paper decorations, garlands and toilet rolls. A special machine to make crepe paper was designed and built. The printing of decorative papers for gift wraps was developed.

In 1957, the firm moved to a 10,000 sq.ft. factory at Team Valley Trading Estate, Gateshead. The factory had formerly been occupied by Fancy & Crepe Paper Mills Ltd (the original Spiro business). That firm was taken over in 1957 and Matador acquired the plant from the successors of the Spiros.

The Matador business continued to grow in volume and range. Industrial, waxed and wax-laminated papers were introduced. By the middle of the 1960's, the Team Valley factory had become too small and a new factory was built at the Felling Industrial Estate. Originally 20,000 sq.ft in size, it has since been extended to 60,000 sq.ft. The firm moved to Felling in 1966.

Because of a health problem, - since resolved -, M. Waksman sold his business to Wilson Brothers (Publishers) Ltd in 1967, but remained Chairman until the end of 1974. Since then, he has become a partner in a firm making paper bags at Hetton le Hole, County Durham.

Case History Reference: 25. A/ I/b/M

Firm: METAL PAPER WORKS LTD

Address: Queensway, Team Valley Trading Estate
Gateshead, 11, Tyne & Wear

Founder(s): Emil and Alfred Fischl, Morrison family

Founder(s)' Capital: £ 3,000 (from local partners)

Year of Foundation: 1939

Product(s): Metallised paper

Employment on the 1.11.1974: 18

Volume of Sales in 1974: £ 250,000

Exports in 1974: 30%

Last - known Ownership: Felber and Jucker Ltd

Source of Information: Mrs. B. Meyer, widow of Emil Fischl, one of
the founders, P.M. Spooner, Managing Director

Were similar Products made or
sold in country of origin? Yes

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation: Board of Trade introduction to local financial
partner

Post - 1940 Foundation:

For Pre-War Foundations only

Contact with Special Area
Development Organisation:

Assistance from Special Area
Financial Sources: No

Documents Available: Copy of early minute book and share register;
originals destroyed by enemy action during the War.

Metal Paper Works Ltd

The brothers Emil (born in 1887) and Alfred Fischl, although Czech nationals, lived in Dresden, Germany and owned a company (the name is believed to have been Winkel) which produced metallised paper by a novel process. The usual method involved the use of casein or of an emulsion as a binder for the metal powder, the solution being dispersed in water. The brothers Fischl developed a process using synthetic resins in an organic solution. The advantage was that the metallised paper did not tarnish and remained fast to light. Even today, only one other company in the world (in the USA) produces metallised paper by this process, the details of which remain a closely guarded industrial secret.

The brothers and their families arrived in London towards the end of 1938 with no assets except their process. At the suggestion of the Board of Trade, they came to Newcastle upon Tyne and were introduced to the Morrison family who were well-known ships' chandlers in the area. It is believed that they supplied most, if not all, the finance for the venture. The share register shows that members of the family held half the equity in the business in 1946.

Sometime during the War, the factory and the process were taken over by the Ministry of Supply or the War Ministry. Mrs. B. Meyer, the widow of Emil Fischl believes that material was produced which was cut into strips and scattered from aeroplanes in order to confuse enemy radars. During this period, Emil Fischl was engaged by a British toy firm in order to prepare exports in the post-War period, but it is believed that Alfred Fischl was retained as a consultant to the Ministry running the works.

Emil Fischl died in 1944 and Alfred in 1963.

The markets for the firm's products in the early years were in the cigarette industry, particularly in the Near and Middle East, and the gift box industry, i.e. manufacturers of boxes for the cosmetics, confectionery and jewellery trades. Since the War, these markets have been largely replaced by new ones, mainly in the self-adhesive label field. All the big producers of such labels in Britain and a number abroad are supplied by the firm. One of the big British firms in this field, Samuel Jones, appears to have provided loan money to the firm at some stage.

Alfred Fischl made preparations to retire in 1961 and P.M. Spooner was brought into the business. He had worked since 1947 for Felber & Jucker Ltd, the London sales representatives of the firm. Alfred Fischl sold his interest to Felber & Jucker Ltd in 1963 and, on the death of the participating member of the Morrison family, their interest also was sold to them.

Since 1963, P.M. Spooner has been Managing Director

Case History Reference: 26. I/b/M

Firm: THOMAS MOUGET AND COMPANY LTD

Address: Redcar, Cleveland

Founder(s): Siegfried Wolf, J. Englander, F. D'Arcy Smith

Founder(s)' Capital: Small

Year of Foundation: 1937

Product(s): Slag and scrap recovery in steel works

Employment on the 1.11.1974: 200

Volume of Sales in 1974: £ 1,5 million

Exports in 1974: Service company. Associated firms in a number of countries overseas

Last - known Ownership: Members of the Wolf family

Source of Information: Stewart Kohn, a former executive

Were similar Products made or sold in country of origin? Yes

Reason for Establishment in a Special Area of the North:

Pre-War Foundation: Steel Area. Other members of the Wolf family started parallel ventures in Wales and in Scotland

Post - 1940 Foundation:

For Pre-War Foundations only

Contact with Special Area Development Organisation:

Assistance from Special Area Financial Sources:

No. Cleveland was not a Special Area at date of foundation

Documents Available: No

Thomas Mouget and Company Ltd

The Wolf family operated a slag and scrap recovery business in the steel industry of the Saar region, which is believed to have been founded at the beginning of the century. The Schoemann family operated a similar business in the Lorraine, France, based on Metz. In the early 1920's, the two families appear to have combined their interests in some way.

With the return of the Saar to Nazi Germany in 1935 (after world War I it was part of France), the Wolf family had to leave. Their immediate destination at the time is not known, but in 1937 negotiations started with British steel companies, in which Frederick D'Arcy Smith, a prominent businessman, played a leading role. Late in 1937, the company was established in Redcar by Siegfried Wolf, with J. Englander as manager and D'Arcy Smith on the Board. The name of the firm was taken from the original firm, it is believed.

Little is known of the business in its early years. Soon after the outbreak of the War, Siegfried Wolf went to Mexico. J. Englander was interned in May 1940. He was released in 1943. The date of the return of Siegfried Wolf from Mexico is not known. During this period, a Mr. Hass ran the business. His activities appear to have led to a legal action on the return of Siegfried Wolf, as a result of which he regained control of his business.

Siegfried Wolf died in 1957 and J. Englander in 1960. Since the death of the latter, H.H. Schoemann has directed the business. He came into the Wolf family when his sister married Siegfried Wolf. After the fall of France in 1940, H.H. Schoemann escaped to Mexico, where he spent 14 years and ran a small retail business of his own. He arrived in Britain in 1954 and joined the firm.

Although not directly pertinent to our study, it may be noted that Egon Wolf, believed to have been a brother of Siegfried, operated a similar business in the South Wales and Scottish Steel industries, but this business is no longer in existence.

Case History Reference: 27. II/a

Firm: NEOLITH LTD
(now Neolith (1971) Ltd)

Address: Walbottle Road, Lemington
Newcastle upon Tyne

Founder(s): Peter M. Stanley (Stern)

Founder(s)' Capital: Small

Year of Foundation: 1959

Product(s): Building components and services

Employment on the 1.11.1974: 150

Volume of Sales in 1974: £ 1,2 million

Exports in 1974: 10%

Last - known Ownership: Founder and family

Source of Information: Founder

Were similar Products made or
sold in country of origin? Does not apply

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation:

Post - 1940 Foundation: Split from refugee firm on Tyneside,
established by founder and his father
in 1948

For Pre-War Foundations only

Contact with Special Area
Development Organisation:

Assistance from Special Area
Financial Sources:

Documents Available:

Neolith Ltd

Peter M. Stanley was born in Frankfurt am Main, Germany, in 1921. In 1937 he left Germany with his parents, his father setting up a manufacturing firm in Welwyn Garden City and, after the War, another one on Tyneside.

In May 1940, he was interned but released soon. After a period in the Pioneer Corps, he entered Sandhurst as an Officer Cadet, serving later with the 14/20th Hussars and ending the War with the rank of Captain.

In 1948, he joined his father in founding Stella Building Products Ltd (see case history no.32) on Tyneside.

In 1959, Peter Stanley left the family firm and set up his own manufacturing firm. The business started by manufacturing wood wool slabs, like Stella, but the product range was soon extended to include floor formers made from wood wool, reinforced floor components for multi-story buildings and roof lights. Complete roofs were supplied and a contracts division was started. Contracts included some important overseas assignments, for example the Nairobi (Kenya) Airport roof. An industrial building system was developed and sold under the name NEOCON.

The firm developed on an old industrial site at Newburn on Tyne and occupied at one time 150,000 sq.ft. of space. The move to the present address was made in the early 1970's.

The founder's son Michael joined the firm in 1972 and his son-in-law Robert Aitken in 1973.

The firm was acquired in 1965 by Inter City Investment and Holding Ltd but bought back by the founder in 1970 and restructured.

Spin-off: Transplastix Ltd, Kitty Brewster Estate
Blyth, Northumberland

This firm was formed in 1966 by J. Jones, who had been production director at Neolith Ltd, to produce roof lights on a large scale. Peter Stanley was originally involved financially with this venture. The firm is believed to employ about 200 people.

Case History Reference: 28. II/b

Firm: NORTH EASTERN CLOTHING COMPANY LTD

Address: Queensway, Team Valley Trading Estate
Gateshead, 11, Tyne & Wear

Founder(s): Joseph Kaufmann

Founder(s)' Capital: Small

Year of Foundation: 1942

Product(s): Ladies' outer wear

Employment on the 1.11.1974: 200

Volume of Sales in 1974: £ 750,000

Exports in 1974: 25%

Last - known Ownership: Founder and family

Source of Information: Founder

Were similar Products made or
sold in country of origin? Does not apply

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation:

Post - 1940 Foundation: Father of founder was one of the founders of
a refugee firm on Tyneside

For Pre-War Foundations only

Contact with Special Area
Development Organisation:

Assistance from Special Area
Financial Sources:

Documents Available: No

North Eastern Clothing Company Ltd

Joseph Kaufmann was born in Berlin in 1922. He arrived with his family at Gateshead just before the War. His father was one of the founders of Burrell and Maurice Ltd (see case history no.6).

In 1942, J. Kaufmann started business in small premises in Westgate Road, Newcastle upon Tyne, manufacturing children's and ladies' outer wear.

In 1946, the firm moved to Team Valley Trading Estate, where a 6,000 sq.ft. factory was leased. The manufacture of children's outer wear was dropped and the firm henceforth concentrated on ladies' outer wear. Although employing 2 designers, the firm bought most of its designs outside.

The firm is engaged in the medium to high-class trade and supplies well-known department stores and the higher-quality mail order houses. A good part of the production is exported to the USA, Canada, Japan, Scandinavia and the Common Market countries. Since 1974, exports are said to have increased substantially and now account for 50% of the firm's output. Agents are operating in some countries, but much of the selling abroad is done by the founder, who undertakes frequent export trips. A London showroom is maintained and this receives many of the overseas buyers.

This firm is one of 6 founded by a 'dynasty' and reference to the family relationships and the firms which were founded is made in Appendix 18.

Case History Reference: 29. II/a/M

Firm: PLUS PRODUCTS LTD

Address: Ryton Industrial Estate, Newburn Bridge Road
Blaydon on Tyne

Founder(s): Victor F. Meyer

Founder(s)' Capital: Small

Year of Foundation: 1946

Product(s): Adhesives and sealing compounds

Employment on the 1.11.1974: 100

Volume of Sales in 1974: £ 1 million

Exports in 1974: 3%

Last - known Ownership: Founder and family

Source of Information: Founder and H.B. Meyer, son of founder

Were similar Products made or
sold in country of origin? Yes

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation:

Post - 1940 Foundation: Spin-off from refugee firm on Tyneside

For Pre-War Foundations only

Contact with Special Area
Development Organisation:

Assistance from Special Area
Financial Sources:

Documents Available: No

Plus Products Ltd

Victor F. Meyer, born in 1897, founded Plus Fabrik Chemischer Produkte in Cologne, Germany, in 1932, with the object of manufacturing adhesives particularly for the shoe industry. His partner in the new business was engaged in that industry. Plus co-operated at an early stage with IG Farben in the possible application of synthetic rubber (Buna) in the adhesives industry.

In 1938, Victor Meyer was forced by the Nazis to sell his business. In 1939, he and his family came to Britain on a transit visa, with the intention to emigrate to the USA as soon as permits were issued. He came to Tyneside, where a relative, Alexander Ingram, had set up Team Valley Brush Company Ltd (see case history no.33).

While waiting for his immigration papers to the USA, V. Meyer became involved in experimental work with a small refugee firm making adhesives at North Shields (see no.1 of firms no longer in existence, Adpreg Ltd), which resulted in the small-scale production of rubber latex adhesives, marketed in small jars for Woolworth and sold as part of bicycle repair kits.

In May 1940, V. Meyer was interned and when he returned to the area in 1941, he found that the North Shields firm had ceased to exist during the founders' absence in internment. He joined Team Valley Brush, doing development work on a finishing process involved in the manufacture of small brush handles.

In 1946, V. Meyer founded his own company. He had brought with him from Germany some simple designs for mixing machines and these were made for him by a local engineering firm, his first order being for 4 mixers of 50 gallon capacity.

The initial product was a non-flammable rubber solution for the shoe repair trade, which was sold through local wholesale leather and grindery merchants. Manufacture was carried out in a 1,500 sq.ft. factory at Team Valley Trading Estate, Gateshead. An additional activity of the business at that time was the finishing, by cellulose dipping and tumbling, of small brush handles for Team Valley Brush Company, who made available 1,500 sq.ft. of space for this purpose.

At this stage, the founder's son, Hans B. Meyer, who had graduated in Mechanical Engineering, joined the business.

A further 3,000 sq.ft. factory was made available to the firm at Team Valley and this enabled it to expand, finding new customers in the shoe and slipper trade, in raincoat manufacture, and to enter the motor industry as a supplier in 1950.

After two fires at their Team Valley factory - in 1961 and 1963 -, the firm decided to build its own special-purpose factory at Ryton on Tyne,

Plus Products Ltd

where the local authority had just developed land for an industrial estate. The new plant began operations in June 1964 and has since come to be regarded as the safest factory in the adhesives industry in Britain.

The firm has its own engineering facilities and is constructing most of its plant and equipment itself. Its laboratories develop new products and control the quality of the output. The firm has approval from the Ministry of Defence to carry out its own quality assurance control on Defence contracts.

The firm operates on a 5½ acres site. It ascribes its rapid expansion to its willingness to manufacture tailor-made products to customers' specifications in a wide variety of industries.

Case History Reference: 30. A/II/d

Firm: REMA LTD
(now, H. Sutcliffe (Newcastle) Ltd
also trading as Bedlington Glove Company

Address: Barrington Industrial Estate
Bedlington, Northumberland

Founder(s): Dr. Rudolf Mautner

Founder(s)' Capital: Not known

Year of Foundation: 1947

Product(s): Fabric gloves

Employment on the 1.11.1974: 250, inc.some outworkers

Volume of Sales in 1974: £ 600,000

Exports in 1974: 35%

Last - known Ownership: Radley Fashions and Textiles Ltd

Source of Information: W. Sharman, Managing Director

Were similar Products made or
sold in country of origin? Yes (by founder's wife's family)

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation:

Post - 1940 Foundation: Availability of factory space

For Pre-War Foundations only

Contact with Special Area
Development Organisation:

Assistance from Special Area
Financial Sources:

Documents Available: No

Rema Ltd

Dr. R. Mautner was a lawyer in Prague, where he is believed to have been born. After an adventurous flight from Czechoslovakia, he arrived in Britain, via Poland and Sweden, just before the War.

The family of his wife (Fischer) were well-known glove makers in Czechoslovakia and had exported to Britain since before the first world War. They had established a small glove factory at Bideford, Devonshire, one of the traditional glove-making districts of England.

On his arrival in Britain, Dr. Mautner obtained a position with the Bideford firm. Members of the Fischer family who had also escaped from Czechoslovakia after the German occupation had previously arrived at Bideford. Dr. Mautner was able to learn all aspects of glove making and, in spite of his modest remuneration, he was able to save some money.

By 1947 he was ready to start his own manufacturing business. At the suggestion of the Board of Trade, he came to Tyneside, where a small factory was made available at Bedlington. Apart from himself and his wife, there was another partner who had connections with the Merchant Bank of Singer and Friedlaender, which firm, in turn, is believed to have had family connections with Dr. Mautner's wife.

The firm, which began to specialise in fabric gloves, started by training local women and girls in glove making.

W. Sharman, one of the founders of Great Northern Knitwear Ltd, (see case history no.15) left that firm in 1947 and acquired a small knitwear business, H. Sutcliffe (Newcastle) Ltd. He joined Rema Ltd in 1954 as manager, but carried on H. Sutcliffe as a separate concern in the Rema works. At that time, business was difficult for Rema because of the strong competition from Hong Kong. W. Sharman was able to establish a connection with Marks and Spencer which increased the Rema business substantially.

Because of indifferent health, Dr. Mautner decided to reduce his commitments in the business gradually. The company was re-organised and W. Sharman became a shareholder. By 1959, Dr. Mautner had to give up work altogether and moved out of the area. He died in 1966.

In order to enable the Mautner family to withdraw its capital, Rema Ltd was liquidated and the business re-established under the H. Sutcliffe name. Operations had to be reduced, the labour force declined from 80 to 30 people and the Marks and Spencer connection was temporarily interrupted.

Since then, W. Sharman has built up the firm well above its former size. The firm now occupies 20,000 sq.ft of factory space, it produces 20% of all fabric gloves made in Britain and it is the largest glove factory under one roof in the country. Its exports go mainly to the Scandinavian countries. In 1973, the firm received the Gold Award of the International Export

Rema Ltd

Association. Some exports are done to Australia and New Zealand, through London Shipping Houses.

The frequent export visits made by W. Sharman serve not only to obtain orders, but have led to the finding of original materials which, in turn, have helped to increase sales. The firm now develops exclusive ranges of materials for its products. This assists in overcoming the competition from Hong Kong, where products are restricted to a limited range of materials.

It is believed that the intimate knowledge of knitted structures by W. Sharman has helped the firm to grow against British competition. Other firms in the fabric glove trade have largely come from the leather glove field and lack experience with knitted fabrics.

The firm was acquired by its present owners in 1969, but W. Sharman has remained as Managing Director.

The firm has expansion plans and planning permission for additional buildings has been obtained.

Case History Reference: 31. A/ I/a/M

Firm: SIGMUND PUMPS (G.B.) LTD
(now Ingersoll-Rand Pumps Ltd)

International Boilers and Radiators Ltd
(now Thorn Heat Ltd)

Address: Team Valley Trading Estate, Gateshead, 11, T & W,
and Birtley, Tyne & Wear

Founder(s): Miroslav Sigmund

Founder(s)' Capital: Small

Year of Foundation: 1937

Product(s): Ingersoll-Rand: Pumps for a wide range of uses,
Thorn Heat: Small-bore domestic heating systems

Employment on the 1.11.1974: Ingersoll-Rand: 630
Thorn Heat: 1,200 Total: 1,830

Volume of Sales in 1974: Ingersoll-Rand: Not made available
Thorn Heat: £ 9 million

Exports in 1974: Ingersoll-Rand: Not made available
Thorn Heat: Negligible

Last - known Ownership: Sigmund Pumps: Ingersoll-Rand Group
Thorn Heat: Thorn Electric Industries Group

Source of Information: Founder, and T.J. Conway, financial director
of Thorn Heat

Were similar Products made or
sold in country of origin? Yes, pumps

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation: Availability of factories and of financial
assistance

Post - 1940 Foundation:

For Pre-War Foundations only

Contact with Special Area
Development Organisation:

North Eastern Trading Estates Ltd

Assistance from Special Area
Financial Sources:

Nuffield Trust

Documents Available: Founder retains a large volume of material
on all aspects of the firms history and products

Sigmund Pumps (G.B.) Ltd

Miroslav Sigmund was born in 1907 in Czechoslovakia. After completing his engineering studies, he joined the family firm of Sigmund Pumps at Lutin near Olmouc, Moravia, - founded in 1868 - , as a partner. This firm manufactured a wide range of pumps and exported a considerable volume to Britain and the British Empire.

In 1937, M. Sigmund came to establish a branch of the family firm in Britain. We had some initial doubts whether to include the firm in this work. It is not typical in relation to our title and M. Sigmund did not, originally arrive as a refugee. But if we define a refugee as someone who cannot return to his own country, he became a refugee twice over: First, from the Germans (a brother who stayed in Czechoslovakia was killed by them), and then, the post-War Government nationalised the Sigmund family's works. In addition, M. Sigmund played a part in assisting the escape from Nazi-occupied Czechoslovakia of a number of specialised technicians and engineers who were to form the nucleus of an important armament works set up and initially managed by him.

M. Sigmund arrived with little money and had to rely for his capital on the Nuffield Trust and, later, on Banks and other financial institutions.

Almost immediately after the firm was established in a part of a 10,000 sq.ft. factory at Team Valley Trading Estate, Gateshead, it was called upon by the Government to produce fire-fighting trailer pumps of a type developed by the parent firm in Czechoslovakia.

Just after the German invasion in March 1939, the Lutin works managed to ship some 40 cases of machine tools to Gateshead, but a later attempt to ship more failed.

The start of the War found the firm established in 4 factories at Team Valley, with a floor area of 110,000 sq.ft., later extended to 132,000 sq.ft. The War initially disrupted some of the firm's markets, but the demand for fire-fighting equipment and other armaments soon stretched the firm to full capacity.

In April 1940, Sigmund Pumps started to produce sub-assemblies for Bren Guns. When a group of engineers and technicians from the Bren factory in Czechoslovakia reached Britain in the summer of 1940, - we have already referred to M. Sigmund's role in this -, the Ministry of Supply decided that they should be used immediately for the production of Bren Guns and that their services could best be used by incorporating them in the Sigmund organisation at Gateshead. Furthermore, Sigmund Pumps was to undertake a greater role in the production of Bren Gun components. A new company, the Bren Manufacturing Company Ltd was dounded under the auspices of the Ministry of Supply, in which Sigmund Pumps (G.B.) Ltd was a substantial shareholder, with M. Sigmund as Managing

Sigmund Pumps (G.B.) Ltd

Director. Sigmund Pumps transferred 60 of its staff and skilled workers to the new company. The association between Sigmund Pumps and Bren lasted 18 months. During that time, the Bren company was firmly established by M. Sigmund and when it was taken over by the Ministry of Supply in January 1942, it was able to increase its production by 75% as planned.

In August 1942, the Ministry of Supply placed a contract with Sigmund Pumps for an entirely new weapon: The Polsten anti-aircraft gun, designed for use against low-flying aircraft. The Sigmund organisation was responsible for the planning of the production of this gun, which was used extensively during the Allied invasion of Europe in 1944 and against flying bombs in the South of England.

The firm became known to large numbers of ordinary householders by its stirrup pumps which were issued free of charge in urban areas. It produced about one quarter of all these pumps made in Britain during the War.

By 1943, the firm was able to record the following contribution to the British War effort so far:

8,000	fire trailer pumps
4,000	fire-fighting pumps for shipboard
800,000	stirrup pumps
200,000	6 pdr shot
3,000	engine parts of tank landing craft
50,000	components for trestle bridges
1,700	complete Polsten guns
20,000	Polsten gun sub-assemblies
500	gun undercarriage conversions
500	gun undercarriage sub-assemblies
5,000	incendiary bomb containers
	Anti-gas filtration plants for some 150,000 people
	Large numbers of small-arms sub-assemblies.

The firm also undertook an important research and development contract for the Chemical Defence Establishment at Porton. This activity, which was secret, was located in a self-contained building near Hexham, Northumberland, and was carried out in co-operation with the nearby Fourstones Paper Mills Ltd

At the peak of its war effort, Sigmund Pumps employed about 2,000 people.

After the end of the War, the firm reverted to its traditional products and started to develop new ones, of which hot oil pumps were the most important. There was hardly a field of engineering for which the firm did not make or develop pumping equipment.

In 1948, the firm moved into its own, specially-designed factory, situated conveniently near the river Team. Its water was used in the testing of

Sigmund Pumps (G.B.) Ltd

products. The factory was later extended to include a mechanised foundry.

In 1958, Booker Brothers and McConnell Ltd, a major trading company, took over control of Sigmund Pumps (G.B.) Ltd, with M. Sigmund retaining a substantial interest. Three years later, the Booker McConnell Group also acquired the major part of the pump business of Pulsometer Engineering Ltd, including its factory at Reading, and merged it with Sigmund Pumps to form Sigmund Pulsometer Ltd. M. Sigmund became Managing Director of the combined firms and left Tyneside for Reading.

In the early 1950's, Sigmund Pumps began to co-operate with the Coal Utilisation Council and others in the development of a small accelerator pump, - combining motor and pump -, for the fast-growing field of small-bore central heating. The development was completed in the late 1950's and resulted in the well-known Thermopak unit. By 1960, it was considered advantageous to have a separate manufacturing and marketing unit for the domestic market. International Boilers and Radiators Ltd was formed as a subsidiary of the Booker Group, with M. Sigmund as chairman. Apart from the Thermopak unit, the new firm produced, almost from its inception, a range of oil and gas-fired boilers and pressed steel panel radiators. At some stage, the name of International Boilers and Radiators Ltd was changed to International Janitors Ltd. It is not known whether any other firm was absorbed into it.

In 1970, Thorn Electrical Industries Ltd acquired International Janitor. It also took over another maker of central heating boilers, William Sugg Ltd, and, merging it with International Janitor, formed Thorn Heating Ltd.

In the same year, it is believed, the Booker McConnell Group sold the Team Valley works of Sigmund Pulsometer Ltd to Ingersoll Rand.

Miroslav Sigmund retired from executive duties with his old companies in 1963, but remained a consultant for many years.

A special mention must be made of M. Sigmund's interest and activities in the field of training skilled craftsmen. Almost from the start of his business in Britain, he introduced new training methods. For example, he set up a special apprentice training school within his factories and he sent his apprentices to technical colleges as part of their training, some 15 years before this became general practice in Britain. He personally spent much time on training matters, and it was due partly to his initiative and support that Gateshead Technical College was founded after the War, with its emphasis on practical and academic training of apprentices and on production technology. In the context of the Special Areas, the attention given by M. Sigmund to training proved to be of great importance to hundreds of young men, many of whom later found employment outside the Sigmund organisation.

Spin-Off: None known to Mr. Sigmund

Case History Reference: 32. A/II/d

Firm: STELLA BUILDING PRODUCTS LTD.

Address: Wallsend Road
North Shields, Tynemouth, Tyne & Wear

Founder(s): Herbert Stern and P.M. Stanley (son)

Founder(s)' Capital: Adequate

Year of Foundation: 1948

Product(s): Wood wool slabs for the building industry

Employment on the 1.11.1974: 100

Volume of Sales in 1974: £ 1 million

Exports in 1974: Small

Last - known Ownership: BPB Industries Group

Source of Information: Peter M. Stanley, one of the founders

Were similar Products made or
sold in country of origin? No

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation:

Post - 1940 Foundation: Suggestion by another refugee manufacturer

For Pre-War Foundations only

Contact with Special Area
Development Organisation:

Assistance from Special Area
Financial Sources:

Documents Available: No

Stella Building Products Ltd

Herbert Stern was born in Germany in 1889. He was in the furniture trade in Frankfurt am Main. When it became clear that he had to get out of Germany, he obtained a licence to manufacture wood wool slabs from a sympathetic German firm. He and his family arrived in Britain in 1937. He set up a firm manufacturing wood wool slabs at Welwyn Garden City under the trade name of WELLINLITH. The business was successful and, after the War, it was acquired by the Marley Tile Company, who carried on the manufacture under the name of Marlith.

In 1948, H. Stern decided to start manufacturing again. At the suggestion of an old friend, Albert Maier (see no.16 of firms no longer in existence), negotiations were started with the Tyneside Industrial Development Board and the Board of Trade. These were satisfactory and a factory was established in disused pit buildings at Tudor Road, North Shields. Later, a factory meeting the needs of the firm was designed and built at the present address. It provided 20,000 sq.ft. of space.

H. Stern was joined from the start of his Tyneside venture by his son Peter, and later, by his younger son Kenneth.

The business prospered and in 1960 it was acquired by British Gypsum, which later merged with the British Plaster Corporation to form BPB Industries Ltd.

P.M. Stanley left the firm in 1959 to set up his own manufacturing business.

Spin-Off: Neolith Ltd, see case history no.27.

Case History Reference: 33. I/a/M

Firm: TEAM VALLEY BRUSH COMPANY LTDAddress: Whickham Industrial Estate, Swalwell
Gateshead, Tyne & WearFounder(s): Alexander Ingram (Ichenhauser)
Martin LionFounder(s)' Capital: SmallYear of Foundation: 1939Product(s): Artists' brushesEmployment on the 1.11.1974: 200Volume of Sales in 1974: £ 750,000Exports in 1974: 25%Last - known Ownership: Family of founderSource of Information: Mrs. L. Ingram, widow of one of the founders,
A.H. Ingram, Managing Director, son of one
of the foundersWere similar Products made or
sold in country of origin? YesReason for Establishment in a
Special Area of the North:Pre-War Foundation: Not known exactly, but prior settlement of
a relative is said to have played a partPost - 1940 Foundation:For Pre-War Foundations onlyContact with Special Area
Development Organisation:

North Eastern Trading Estates Ltd

Assistance from Special Area
Financial Sources: NoDocuments Available: No

Team Valley Brush Company Ltd

Alexander Ingram was born at Nuremberg, Germany, in 1895. His father had founded a brush factory (Tannenpinsel-Fabrik Nuernberg) in 1875.

A. Ingram joined the business after the first world War.

Martin Lion, born in 1889, married A. Ingram's sister and joined the business in the early 1920's.

The Nuremberg factory produced mainly machine-made brushes in a wide variety.

When the families were forced to sell their business and the need to leave Germany became urgent, the British Consul at Munich suggested that they might consider setting up a brush factory in one of the Special Areas of Britain. The reason for the choice of the North East is not known, but it is believed that the prior settlement of a relative (F. Nussbaum, see no.2 of firms no longer in existence, Appetiser Co.Ltd) may have played a part.

The founders and their families arrived on Tyneside in March 1939. They were unable to take any of their assets out of Germany and the money which was available had been advanced by a relative in South Africa.

The German business of the founders had no export connections with Britain and neither of the founders had been to Britain before they arrived to start the factory on Tyneside. They were aware, however, that the market relied on considerable imports of artists' brushes, the product they intended to make.

Artists' brushes are made largely by hand. This is a skilled job and the founders were surprised to find that local girls were easier to train than equivalent labour in Germany. Early contracts included some from the Education Committees.

The founders were interned in May 1940 and their families had to leave the area some weeks afterwards. During this period, a friend (a Mr. Lindsay) did what he could, but when the founders returned in the autumn of that year, they had to start practically from the beginning. This was made somewhat easier by the fact that competing imports were no longer available.

The original factory at Team Valley Trading Estate was 1,500 sq.ft. It was not requisitioned during the War, because some essential work was carried out. Indeed, a further 3,000 sq.ft. were added during this period.

In 1944, Martin Lion left the firm and set up his own manufacturing business (see below).

The firm expanded considerably after the War, and another 6,000 sq.ft. factory was rented at Team Valley, adjoining the earlier building.

From an early stage in its history, the firm produced its own brush

Team Valley Brush Company Ltd

components like handles and ferrules, and it developed its own finishing processes. In about 1970, W.T. Skelly Ltd, a local firm who produced brush handles, was acquired.

Equally, a London sales office was established early in the firm's life.

On the death of Alexander Ingram in 1959, his second son Alfred took over the management of the firm. Later, his younger brother John joined the firm. Alexander Ingram's widow, Mrs. Lily Ingram, continues to work in the business.

In 1970, the company built its own 35,000 sq.ft. factory at Swallwell and moved away from the Team Valley Trading Estate.

Spin-off: Lion Brush Works Ltd, case history no.22

Plus Products Ltd, case history no.29

Case History Reference: 34. A/ I/a

Firm: TEAM VALLEY WEAVING INDUSTRIES LTD
Margo Fabrics Ltd

Address: Princesway, Team Valley Trading Estate
Gateshead, 11, Tyne & Wear

Founder(s): Adolph Chaskel

Founder(s)' Capital: £ 3,500

Year of Foundation: 1938

Product(s): Furnishing fabrics

Employment on the 1.11.1974: 160

Volume of Sales in 1974: Not made available

Exports in 1974: 15%

Last - known Ownership: Rexmore Group

Source of Information: Andrew Sinclair, Managing Director,
son-in-law of founder

Were similar Products made or
sold in country of origin? Yes, sold

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation: No longer known

Post - 1940 Foundation:

For Pre-War Foundations only

Contact with Special Area
Development Organisation:

Sales manager of North Eastern Trading Estates Ltd
visited founder in Berlin

Assistance from Special Area
Financial Sources:

No

Documents Available: No

Team Valley Weaving Industries Ltd

Adolph Chaskel, born in 1886, was the sole owner of the well-known firm of Teppich Bursch in Berlin, which was founded by his father-in-law at the turn of the century or before. The firm operated a large wholesale and retail business in the carpet and furniture trade.

A. Chaskel was forced by the Nazis to give up his business and to flee the country. He had been in contact with the North Eastern Trading Estates Ltd and he arrived on Tyneside during the first half of 1938.

At first, he used hand looms to produce furnishing fabrics. By 1939, he had acquired 4 power looms. During the War, the firm produced goods exclusively for the War effort: Blankets, webbing and uniform cloth. After the War, the production of furnishing fabrics was taken up again and 8 more power looms were acquired.

Andrew J. Sinclair, A. Chaskel's son-in-law, joined the firm on his release from the Services. He had come from Hungary on a holiday in 1939, but on the outbreak of the War he asked for permission to stay. In 1940, he joined the Pioneer Corps and saw service in France. In 1942, he transferred to the Royal Artillery, where he met the son of the founder - his future brother-in-law. In 1945, he transferred to the Interpreter Branch until his demobilisation in 1946. The founder's son joined the firm in 1948.

The original factory at Team Valley was 6,000 sq.ft. in size. In 1949, a nearby factory was acquired and this brought the space up to 20,000 sq.ft.

In 1952, the production of carpets was started, but this side of the business was sold in 1954, when the two carpet designers, on whose expertise the new business depended, returned to Germany.

The founder's son died in 1955, the founder himself in 1956.

The business has had a few lean years when Andrew Sinclair took over the management on the death of his father-in-law. He built it up into a thriving concern. A marketing company, Margo Fabrics Ltd, was set up in order to sell directly to furniture manufacturers, and this greatly improved sales. The smaller factory was closed and the main factory developed to 50,000 sq.ft. In addition, a declining mill in Berwick on Tweed was taken over in 1965, but with the acquisition of shuttleless looms, the plant in Berwick became obsolete and was closed in 1968. All development was then centred at Team Valley Trading Estate.

The designs of the firm are of high standards and awards from the Council of Industrial Design were won in 1969 and in 1975.

The firm was acquired by Rexmore Ltd in 1973, but Andrew Sinclair agreed to serve as Managing Director for a further period of 3 years.

This firm is one of 6 founded by a 'dynasty' and reference to the family relationships and the firms which were founded is made in Appendix 18.

Case History Reference: 35. I/a/M

Firm: TOILET GOODS MANUFACTURING COMPANY LTD

Address: Anthony Street
Stanley, County Durham

Founder(s): Josef Mayer and Arnold Gerstle

Founder(s)' Capital: Small

Year of Foundation: 1939

Product(s): Originally manicure and brush sets,
now sports bags and childrens' toy items

Employment on the 1.11.1974: 100

Volume of Sales in 1974: £ 300,000

Exports in 1974: 30%

Last - known Ownership: Josef Mayer and family of Arnold Gerstle

Source of Information: Jacob Gerstle, son of one of the founders

Were similar Products made or
sold in country of origin? Yes (manicure sets and dolls)

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation: No longer clear

Post - 1940 Foundation:

For Pre-War Foundations only

Contact with Special Area
Development Organisation: No

Assistance from Special Area
Financial Sources: No

Documents Available: Letter of permission from Home Office to
enter Britain and start factory at Team Valley,
Gateshead

Toilet Goods Manufacturing Company Ltd

Josef Mayer, born in 1890, was a partner in two German companies in Frankfurt am Main: Michael Mayer & Co was a manufacturer of leather goods, specialising in manicure and brush sets. Oppenheimer & Co was the export agent for a large manufacturer of celluloid dolls. There were three partners: Josef Mayer, his brother Michael (who had emigrated to Britain in 1933, and another brother, who emigrated to the USA. Arnold Gerstle was a manager.

Josef Mayer had intended to emigrate to Britain when the Nazis forced his departure, and to settle in London, where his brother was resident, but the permission to come to Britain required him to go to a Special Area. Because of his export connections with Scandinavian countries, he chose the North East. The founders and their families arrived on Tyneside sometime in 1939 and rented a 3,000 sq.ft. factory at Team Valley Trading Estate, Gateshead. Little is known of their activities in the first year. In May 1940, the founders were interned and their families had to leave the area soon afterwards. Thanks to a Newcastle businessman, David Bloom, the business was able to carry on in a small way. When the founders were released from internment in the late summer of 1940, they were not, at first, permitted to reside on Tyneside. They went to Manchester, travelling up from there and staying in Newcastle during the working week to run their business. It was not until late in October 1940 that they were permitted to return to their homes. When they came back, their factory at Team Valley was requisitioned for war purposes. They took premises at Waterloo House, Thornton Street, Newcastle upon Tyne, and when the building was sold, they moved to 184, Westgate Road, Newcastle upon Tyne, which had perviously served as a club. When this became too small, they moved to a converted stable at Grantham Road, Newcastle upon Tyne, where they occupied 5,000 sq.ft. of space. On the expiry of the lease, the firm acquired a 15,000 sq.ft. factory at Stanley, County Durham. Before moving to Stanley, the firm established a pilot factory in a disused Miner's Welfare hall at New Kyo, County Durham. This unit was retained after the move to Stanley.

When the business first started, leather goods similar to those made previously in Germany were the main line. When materials began to be difficult to obtain during the War, Gas mask cases were produced in large numbers.

During a post-War visit to the USA, Arnold Gerstle noted the wide variety and styles of children's handbags and other items made from plastic materials. In Britain, at the time, the range was limited and, generally of poor design. The firm started to design and manufacture such handbags and other items from plastic materials. Since then, a wide range of sports bags have been developed,

Toilet Goods Manufacturing Company Ltd

as well as speciality toy items, such as carry cots for dolls.

Apart from the Scandinavian countries, exports go to the Carribean countries and to a number of other markets.

Arnold Gerstle died in the late 1950's. Since the retirement of Josef Mayer, the business is managed by Jacob Gerstle, the son of Arnold Gerstle.

Case History Reference: 36. I /a/M

Firm: TORDAY LTD
(holding company, subsidiaries
and associates listed at end)

Address: West Chirton Trading Estate
Tynemouth, Tyne & Wear

Founder(s): Laszlo Torday

Founder(s)' Capital: Small

Year of Foundation: 1945

Product(s): Electro-chemical and mechanical engineering

Employment on the 1.11.1974: 300 (in North)

Volume of Sales in 1974: £ 5 million

Exports in 1974: Over 50%

Last - known Ownership: Control is held by the two sons of founder

Source of Information: John Torday, a son of the founder

Were similar Products made or
sold in country of origin? Yes

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation:

Post - 1940 Foundation: Split from refugee firm on Tyneside

For Pre-War Foundations only

Contact with Special Area
Development Organisation:

Assistance from Special Area
Financial Sources:

Documents Available:

Torday Ltd

Laszlo Torday was one of the founders of Tyne Chemical Company Ltd (see case history no. 37) and his background and arrival in Britain are recorded under that case history.

After leaving Tyne Chemical Company, L. Torday became a consultant, and later, Managing Director of Leypak Ltd, a company in the Redheugh Iron and Steel Group of Gateshead. This firm manufactured dry batteries based on some new patents, at Team Valley Gateshead. The firm prospered during the War, but there were certain technical problems with the product which forced the firm to close down at the end of the War. The owners offered to set up a new venture with L. Torday, but he decided to start on his own.

One of Laszlo Torday's activities in Hungary had been to act as a representative of Langbein & Pfannhauser, an old-established German supply house to the electro-plating industry. When delivery problems arose, L. Torday started to manufacture plant and to supply materials himself. With this experience, he decided to start an electro-plating business at Tynemouth, where he had lived since arriving in Britain. He set up in a former Naafi canteen in 1945.

While there were a number of long-established electro-platers in the area, L. Torday brought a more scientific approach to the trade. This resulted in his ability to produce a wider range of finishes and to work to stricter specifications. The business got off the ground fairly quickly and, within a year or so, the firm acquired the lease of a 5,000 sq.ft. factory on the West Chirton Trading Estate, North Shields, Tynemouth.

In 1947, the founder was joined by his younger son John, who had recently graduated in Chemistry at Edinburgh University. This event seems to have contributed to L. Torday's decision to take up again the manufacture of specialised chemicals. After some market research, Hydro Quinone was selected and John Torday developed a pilot plant, which was built and proved. It was impossible, however, to find the finance to build a production plant. As an aside, it is of interest that Kodak later produced Hydro Quinone successfully by the process developed by the firm.

John Torday left in 1949 in order to gain more industrial experience elsewhere. After 6 years at Kodak, he spent 4 years at Ozalid as research manager, returning to the family firm in 1959. In the meantime, his elder brother Dr. Laszlo Torday had joined the firm in 1953 from Durham University, where he had been a lecturer in the Department of Chemistry.

The business was beginning to do reasonably well. Electro-forming was introduced and moulds for the confectionery trade, and wave guides for Radars were produced by this process. There was also the intention to produce copper foil, partly because of the interest shown by Formica Ltd, a neighbouring

Torday Ltd

firm which produced material for the printed circuit industry, but the available capital was needed for more immediate purposes at the time.

The high wear in the 'travellers' (small guide rings through which the fibre is passed) used in large quantities in the spinning of man-made fibres had been a serious problem and a variety of solutions were tried. Hard chrome-plating was difficult because of the handling problems of such small components in large numbers in the plating baths. The firm developed a successful process and the resulting business proved a first major source of profit. About 70% of the nylon spun in Europe now passes through components treated by the firm.

The founder retired in 1965 at the age of 75, but remained a consultant for some years. He died in 1975. His two sons have greatly expanded the business.

Plating operations were mechanised and a number of automatic plating machines were installed. The hard chrome-plating business increased in importance and the size of engineering components which were treated also increased. The handling and final finishing processes required (cylindrical grinding) gradually turned the firm into a medium to heavy engineering concern.

The wear of pistons of turbo-charged Diesel engines used in ever faster oil tankers caused problems in the tanker industry. Contact was made by the firm with ships' engine builders on the Tyne (Hawthorne Leslie) and with some licencees of Sulzer of Switzerland and, as a result, hard chrome-plating of pistons for such engines began to become an important part of the business. Contact was made with shipowners and firms reconditioning pistons. An association was formed with an old-established Sheffield manufacturer of piston rings, Lockwood & Carlisle Ltd, and a joint company was formed. This offered to up-grade existing pistons and also set up a replacement service to ship owners, opening up spare depots in ports around the world. The joint firm then set up the manufacture of complete pistons, using numerically controlled machines. A part of this work is done at West Chirton. The joint company won a Queen's Award to Industry for Exports in 1973.

Together with Lockwood and Carlisle, Torday bought a share in Van der Horst, an old-established Dutch electro-plater. The machining and plating of pistons was introduced there. The Dutch company grew rapidly and Torday and Lockwood acquired all its capital in 1974.

There were other developments: In the middle of the 1960's, the production of nickel foil for specialised electronic applications was introduced. This was a small business which did not last long. The accuracy with which the foil could be produced and annealed, however, made it suitable for pressure

Torday Ltd

relief devices for boilers. The main customer, F.A. Hughes of Epsom, was acquired by the firm and the manufacture of the complete devices brought to West Chirton. This product line now contributes 25% to Torday's sales and took the firm into a business which is close to instrument manufacture.

The interest in copper foil had never ceased, and by the early 1970's, the firm had the resources to make it on a large scale. Electrofoil Ltd was formed in 1973 and the annual production of copper foil is now 500 Tons.

By 1974, the group was poised for a substantial expansion.

There are sales companies in Norway, France, Greece, Singapore and Argentina.

The subsidiaries and associates of Torday Ltd are as follows:

Electrofoil Ltd	75% owned
Electro-Fabrication & Engineering Ltd	100% owned
Lockwood Torday & Carlisle Ltd	50% owned
Diesel Chrome Engineering Ltd	50% owned

Spin-Off: Metnor Ltd (now believed to be part of the Swan-Hunter Group)

The business was founded by R. Sterling, a former manager at Torday. It specialises in Shot Blasting and Metal Spraying in the shipping industry and is believed to be a substantial concern.

Case History Reference: 37. A/ I/a/M

Firm: TYNE CHEMICAL COMPANY LTD

Address: Riverside Drive
South Shields, Tyne & Wear

Founder(s): Laszlo Torday and Dr. Nador Brandon (Bernstein)

Founder(s) ' Capital: Small

Year of Foundation: 1939

Product(s): Industrial compounds, later etched aluminium foil and aluminium anodising

Employment on the 1.11.1974: 150

Volume of Sales in 1974: £ 1 Million

Exports in 1974: 50%

Last - known Ownership: Wellington Films and Foils Inc., USA

Source of Information: Stephen Brandon, a son of one of the founders

Were similar Products made or sold in country of origin? Yes

Reason for Establishment in a Special Area of the North:

Pre-War Foundation: Promotion by Tyneside Industrial Development Board

Post - 1940 Foundation:

For Pre-War Foundations only

Contact with Special Area Development Organisation: T.I.D.B.

Assistance from Special Area Financial Sources: No

Documents Available: No

Tyne Chemical Company Ltd

Laszlo Torday was born in Budapest in 1890. He studied Chemical Engineering there and set up his own manufacturing business in 1921, Vegyeszeti Gyara Torday Laszlo. He produced specialised industrial chemicals, including high-temperature greases for balling, depilants for animal skins, plant protection chemicals, and he refined Borax. He also represented a German company making electro-plating plant and materials.

Dr. Nador Brandon was born in 1890. He completed his chemical engineering studies at the Technische Hochschule, Berlin-Charlottenburg, Germany. Later, he established a firm of chemical distributors, representing well-known British firms like ICI, among others. He also distributed the Borax refined by Laszlo Torday's firm.

The partners came to Britain for reasons we have explained elsewhere, Dr. Brandon in 1939, L. Torday in 1940.

At the suggestion of Stanley Holmes, of the Tyneside Industrial Development Board, the business was established in the office building of the former Reynoldson's shipyard at Pilot Street (now Riverside Drive), South Shields, which had closed down during the depression.

It was the intention to produce lines similar to those formerly made by Laszlo Torday's firm in Hungary. Because of the smallness of the capital, the business could not immediately support two partners and L. Torday left after about a year and took up a position in industry. After the War, he formed his own firm (see case history no.36, Torday Ltd).

During the War, the firm produced a variety of items, mainly under contract from the Ministry of Supply. They included camphorated soft soap (foot soap) for the Armed Services, insecticides etc. Some foodstuffs (Sauerkraut) were made for a local firm of food packers, Tynebrand Products.

Dr. Brandon brought his sons into the business: Peter, after he had graduated in Chemistry, and Stephen. The latter had come to Britain in 1938 as a student employee at an ICI subsidiary, Plant Protection Ltd and had studied engineering and metallurgy before joining the RAF. He returned to the firm after being demobilised.

Employment during the War never exceeded 30 people.

At the end of the War, the firm tried to regain its former market in the metal polishing compound field. Its contact with that field led to some experiments in the plating of aluminium which were not successful. Later, a heat-dissipating etched aluminium foil was produced successfully - the suggestion for the product had come from a local manufacturer of hard plastic sheet (Thomas De La Rue), who needed this material for incorporation into his product. With the arrival of melamine, however, the etched aluminium foil was no longer needed. At this point, the firm started the manufacture

Tyne Chemical Company Ltd

of etched aluminium foil for electrolytic capacitors and this became the main line of the business from 1954 onwards. Later, the anodising of aluminium coils for direct current applications (magnets) was introduced.

Dr. Brandon died in 1959. Stephen and Peter Brandon became Joint Managing Directors, with their mother, Helen Brandon, becoming chairman.

The firm's products were exported to many countries. On one of his export trips, Stephen Brandon met an American competitor, the owner of Welling-ton Films and Foils Inc. This firm acquired Tyne Chemical Company in 1969. Peter and Stephen Brandon continued to manage the firm.

Peter Brandon was killed in a car accident in 1973. Stephen Brandon left the firm after our key date.

Spin-Off: Torday Ltd (see case history no. 36)

D.K.M. (Conductors) Ltd, Algernon Industrial Estate
Shiremoor, Tyne and Wear

Keith Martin and David Morgan were employed as engineers at Tyne Chemical Company. They set up their own firm in 1975 to carry on the anodising of aluminium coils by the process developed at Tyne Chemical Company-

Case History Reference: 38. II/b

Firm: TYNE TEXTILES LTD

Address: Stoneygate Lane, Felling
Gateshead, 10, Tyne & Wear

Founder(s): Isaac Kaufmann

Founder(s)' Capital: £ 500

Year of Foundation: 1951

Product(s): Casual and sports wear

Employment on the 1.11.1974: 300

Volume of Sales in 1974: £ 1 million

Exports in 1974: small

Last - known Ownership: Founder and family

Source of Information: Founder

Were similar Products made or
sold in country of origin? Does not apply

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation:

Post - 1940 Foundation: Father of founder was one of the founders of
a refugee firm on Tyneside

For Pre-War Foundations only

Contact with Special Area
Development Organisation:

Assistance from Special Area
Financial Sources:

Documents Available: No

Tyne Textiles Ltd

Isaac Kaufmann was born in Berlin in 1926. He arrived with his family at Gateshead just before the War. His father was one of the founders of Burrell and Maurice Ltd (see case history no.6).

In 1951, I. Kaufmann started business in 2 rooms on the first floor of an old building in Westmorland Road, Newcastle upon Tyne. His firm was one of the first in Britain to manufacture casual wear. By 1953, larger premises were needed and the firm moved to 159, Westmoreland Road. In 1960, a 3,000 sq.ft. factory was rented at Team Valley Trading Estate, Gateshead, and between 1961 and 1966, three further factories of 6,000 sq.ft. each were added, all of them at Team Valley. In 1967, the decision was taken to build a 50,000 sq.ft. factory at Felling. A 10,000 sq.ft. extension was added since. The shortage of labour appeared to restrict further growth and a small satellite factory was opened at Leadgate, County Durham in 1973, employing about 30 people.

While the demand for the firm's products was so strong on the home market, there was no spare capacity for exports, but successful efforts to get into foreign markets have recently started.

The products of the firm are of high quality. They are sold in the most reputed stores in London. The British Olympic Team of 1976 was fitted out with the firm's garments. A recent Everest Expedition was kitted out by the firm as a gift to Sport.

The firm has elaborate welfare facilities and an extensive social programme. It also produces a works newspaper. In an industry known for its high labour turnover, the firm appears to have achieved a relatively high degree of stability.

This firm is one of 6 founded by a 'dynasty' and reference to the family relationships and the firms which were founded is made in Appendix 18.

Case History Reference: 39. I/b/M

Firm: TYNE TRUCK AND TROLLEY COMPANY LTD

Address: Team Valley Trading Estate
Gateshead, 11, Tyne & Wear

Founder(s): Paul Guttsmann and the Casebourne family

Founder(s)' Capital: Small

Year of Foundation: 1939

Product(s): Mechanical handling devices

Employment on the 1.11.1974: 25

Volume of Sales in 1974: Not made available

Exports in 1974: Small

Last - known Ownership: The Casebourne family

Source of Information: Peter Guttsmann, son of one of the founders,
and R.V. Casebourne

Were similar Products made or
sold in country of origin? Yes

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation: Introduction to the Casebourne family

Post - 1940 Foundation:

For Pre-War Foundations only

Contact with Special Area
Development Organisation: Believed no

Assistance from Special Area
Financial Sources: No

Documents Available: No

Tyne Truck & Trolley Company Ltd

Paul Adolph Guttsmann was born in Breslau, Silesia, in 1882. He was apprenticed to a company in the mechanical handling and railway transport field (now Orenstein & Koppel) before the turn of the century. After completing his apprenticeship, he was posted abroad, and on his return to Berlin in 1909, he acquired a small company in the mechanical handling field, Grundmann & Kuhn.

The Nazis forced him to sell his business and leave Germany. He arrived in Britain in April 1939 without any resources, but with a complete set of drawings and photographs of his products. Through friends, he was put in touch with the Casebourne family in Newcastle upon Tyne, who were running a well-known business of engineers' agents. W.J. Casebourne agreed to join P.A. Guttsmann in a venture on Tyneside, in which the latter was to hold 49% of the equity.

At first, an office was rented in Northumberland Street, Newcastle upon Tyne; later, premises were obtained in Newbridge Street, Newcastle, where manufacture started. In the late 1940's, the firm moved to its present factory (about 6,000 sq.ft.) at Team Valley Trading Estate, Gateshead.

P.A. Guttsmann, who had not previously exported to Britain, was joined from the start by his son Peter (see also case history no.5, Builders' Chemicals Ltd). Peter Guttsmann left the firm in 1950. P.A. Guttsmann retired in 1962 when he was 80 years old. He died in 1969.

The business has been manufacturing substantially the same products since its inception.

Case History Reference: 40. A/ I/a/M

Firm: WEST AUCKLAND CLOTHING COMPANY LTD.
(now part of Steinberg & Son Ltd)

Address: St. Helen's Auckland Trading Estate
West Auckland, County Durham

Founder(s): Leo and Helen Lewin

Founder(s)' Capital: Small

Year of Foundation: 1939

Product(s): Women's and girls' outer wear

Employment on the 1.11.1974: 550

Volume of Sales in 1974: £ 3 million

Exports in 1974: Small

Last - known Ownership: Steinberg and Son Ltd

Source of Information: K. Lewin, a son of the founders

Were similar Products made or
sold in country of origin? Yes

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation: Suggestion by Commissioner for the Special
Areas of England and Wales, and preference

Post - 1940 Foundation: for a rural area

For Pre-War Foundations only

Contact with Special Area

Development Organisation: Commissioner's office in London

Assistance from Special Area

Financial Sources: S.A.R.A.

Documents Available: No

West Auckland Clothing Company Ltd

Leo Lewin was born in Breslau, Silesia, in 1882. His father had founded a concern manufacturing men's clothes and furs in Breslau, A.G. fuer Webwaren unde Bekleidung, formerly C. Lewin, well before the turn of the century. Leo Lewin entered the family business as a young man and, on the retirement of his father, he took over the management of what had become a major firm in the clothing industry in Germany.

Leo Lewin was a keen breeder of race horses and, as a result of this interest, had a considerable number of contacts in Britain. When the Nazis came to power, he sent his sons Kurt (born in 1919) and Ernst (born in 1924) to school in Britain in 1934. When it became clear that he and his family had to get out of Germany, he started negotiations with a view to setting up a manufacturing business in Britain. He appears to have paid a number of visits to Britain while this was still possible. He was in contact with the London office of the Commissioner for the Special Areas of England and Wales, who introduced him to the Development organisations of some of the Special Areas. Leo and Helen Lewin chose the South West Durham Area, partly because there appeared to be suitable labour and partly because they wanted to live in a rural area.

The firm was founded in March 1939, soon after the family arrived in Britain. Manufacturing started in a disused chapel at Shildon, County Durham, in June 1939, while a factory was being constructed at the St. Helen's Auckland Trading Estate, where two other refugee firms had set up in 1938. The firm moved into the 25,000 sq.ft. factory at the beginning of the War.

Finance was provided not only by S.A.R.A., but also by James Vogel, a textile industrialist who had arrived in Britain in the early 1930's, it is believed. He had extensive textile interests in Huddersfield. His 50% share in the business remained until the Charterhouse Trust acquired it in the 1950's.

The sons of Leo Lewin and his wife Helen, who played an active part in the business, joined the firm from its inception.

The first line of the firm was flannel trousers for Marks and Spencer, but the production was soon changed over to uniforms for the Services. 2 million uniforms were produced during the War, mainly for the British Forces.

The male members of the family were interned in May 1940, together with the small number of key staff they had brought with them from Germany, but they were released again soon afterwards.

The demands of the Services required a much larger factory and extensions were built during and, to a smaller extent, after the War, so that the firm now occupies 120,000 sq.ft. of space on the original site at West Auckland.

Leo Lewin retired in 1954, aged 72 years and died in the early 1960's. In 1956, the firm was acquired and absorbed By Steinberg & Son Ltd. K. Lewin

West Auckland Clothing Company Ltd

Ernst Lewin retired from the firm in 1962. Kurt (Kenneth) Lewin remains as Managing Director of what is now the Northern Division of Steinberg & Son Ltd.

In the early 1960's, this division of Steinberg & Son took over another refugee firm (see no.16 of firms no longer in existence, Team Valley Clothing Co. Ltd), but this business was disposed of some 3 years later to an unknown interest outside the North.

The firm originally traded under the trade mark LEWOOLIN, while the the present one is that of Steinberg & Son, ALEXON.

David Lewin, the son of K. Lewin joined the firm a few years ago. He represents the 4th generation in the family business or its successors.

Spin-Off Durworth Ltd, see case history no.12...

Northern Clothing Ltd, Shildon, County Durham

This firm was founded in 1944 or 1945 by Leo Page, who worked for West Auckland Clothing Company for a time after he was invalided out of the Army. He took with him, as a partner, Josef Warzecher, whose background and further activities are described in the case history on Durworth Ltd. The business appears to be prosperous and employs 275 people. We were originally under the impression that Leo Page was a refugee, but he informed us that he was born in London. He spent most of his childhood in France, returning to Britain only just before the outbreak of the last War.

ALPHABETICAL AND CLASSIFIED INDEXFirms still in existence on 1 November 1974West Cumberland

<u>Case History Ref.</u>	<u>Name of Firm and Product</u>	<u>Employment</u>
41. I/a/M	<u>Cumberland Childwear Ltd</u> Children's Wear, Computer Services	300
42. A/II/d/M	<u>Cumberland Curled Hair Ltd</u> Curled Hair, Plastic Foam Cushioning	130
43. A/ I/a/M	<u>Cumberland Paper Co.Ltd</u> Paper & Plastics Converters	180
44. A/II/a	<u>Elma Sportswear Ltd</u> Leather Fashion Coats	60
45. II/a	<u>L. Fisher Ltd</u> Unit Furniture, Divan Headboards	70
46. II/d/M	<u>Paul Green Ltd</u> Spectacle Frames	100
47. A/II/d/M	<u>A. Hearfield Ltd</u> Hosiery	350
48. A/ I/b/M	<u>Hornflowa Ltd</u> Buttons, Fertilisers, Moulding Tools	600
49. A/ I/a	<u>Kangol Ltd</u> Millinery, Satefy Belts, Safety Helmets	1300
50. A/ I/a	<u>Lakeland Food Industries Ltd</u> Food Packers	260
51. A/ I/a	<u>Marchon Products Ltd</u> Detergents & Intermediates, Cement	2300
52. A/II/a/M	<u>Seagull Products Ltd</u> Light Travel Goods, Footwear Components	150
53. A/ I/a/M	<u>West Coast Chrome Tanners Ltd</u> Leather Manufacturers	300
54. A/ I/a/M	<u>West Cumberland Silk Mills Ltd</u> Dress, Furnishing & Upholstery Fabrics	280

Case History Reference: 41. I/a/M

Firm: CUMBERLAND CHILDWEAR LTD
(now Cumberland Fashions Ltd)

Address: Solway Trading Estate
Maryport, Cumbria

Founder(s): Dr. M.A. Steiner and F.S. Hayek

Founder(s) ' Capital: Small

Year of Foundation: 1938

Product(s): Childrens' wear, inc. knitwear,
computer services

Employment on the 1.11.1974: 300

Volume of Sales in 1974: £ 1.2 million

Exports in 1974: 30%

Last - known Ownership: Founders' families

Source of Information: F.A. Stanley, MBE, Managing Director, son
of Dr. M.A. Steiner, one of the founders

Were similar Products made or
sold in country of origin? Yes

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation: Not known exactly

Post - 1940 Foundation:

For Pre-War Foundations only

Contact with Special Area
Development Organisation: Cumberland Development Council

Assistance from Special Area
Financial Sources: No

Documents Available: No

Cumberland Childwear Ltd

Dr. M.A. Steiner was born in Vienna in 1894. He was a manufacturer of children's underwear in Austria, selling under the trade mark 'Haserl-Hoserl'.

F.S. Hayek was born in Brno, Slovakia, in 1903. He manufactured children's dresses in Czechoslovakia and produced children's underwear under licence from Dr. Steiner's firm.

Both managed to escape to Paris after the Nazis annexed Austria. In the autumn of 1938, they started negotiations with Jack Adams of the Cumberland Development Council (in Paris) with a view to setting up a factory in West Cumberland. They arrived there early in 1939 and were allocated some space in an existing factory on the Solway Trading Estate at Maryport, while a factory was being constructed for them.

Operations started in the spring of 1939; their initial products were made to designs and from patterns they had brought with them. They started with 6 employees and occupied a 6,000 sq.ft. factory, when it was completed.

Fred A. Stanley MBE is the son of Dr. M.A. Steiner. He was born in Vienna in 1921. After escaping from Austria with his family in 1938, he was sent to college in France, arriving in Britain two weeks before the defeat of France in the Summer of 1940. He was almost immediately interned, but, after a short time, he was released to enable him to join the Pioneer Corps. After transferring to the Royal Ordnance Corps, and, later, to the Royal Engineers, he found himself in the Intelligence Corps at the end of the War and was demobilised in 1946. He joined the firm soon after, while S.P. Haig, the son of F.S. Hayek, joined in 1953.

At the beginning of the War, the firm was classed an essential producer. Later, it was approved to manufacture to 'Utility' standards. The trade mark 'Donald Duck' was adopted, but because of objections from the Walt Disney organisation, had to be abandoned, and the trade mark 'Tik-a-Tee' was introduced instead.

After the War, the business grew rapidly, the major expansion taking place in the 1960's. In 1969, F.A. Stanley was awarded the MBE for export achievements.

Selling is done through a London showroom and through agencies in 28 countries. Since 1974, the percentage of exports has doubled. In 1967, the firm started to produce knitted goods.

A subsidiary company, T.K.T. Computer Services Ltd, was established in 1969, in order to make available the firm's computer facilities to outside users.

At the present time, the firm occupies 67,000 sq.ft. of space, all of it on the Solway Trading Estate at Maryport.

Cumberland Childwear Ltd

Dr. Steiner died in 1971. S.P. Haig became chairman in the same year, and Fred A. Stanley MBE, Managing Director. F.S. Hayek was named President of the company in 1971.

The name of the firm was changed in about 1967.

Spin-off: None known

Case History Reference: 42. A/II/d/M

Firm: CUMBERLAND CURLED HAIR MFG. COMPANY LTD
Cheri Foam Ltd, Associate: Curled Hair Ltd

Address: Tower Works
Whitehaven, Cumbria

Founder(s): Kurt Oppenheim

Founder(s)' Capital: £ 2,000

Year of Foundation: 1945

Product(s): Curled hair, plastic foam

Employment on the 1.11.1974: 130

Volume of Sales in 1974: £ 1.25 million

Exports in 1974: 5%

Last - known Ownership: Coventry Hood International Ltd

Source of Information: Kurt and Lily Oppenheim (wife of founder)

Were similar Products made or sold in country of origin? Yes (curled hair, by family business)

Reason for Establishment in a Special Area of the North:

Pre-War Foundation:

Post - 1940 Foundation: Offer of factory space and financial assistance,
(neither of which materialised)

For Pre-War Foundations only

Contact with Special Area Development Organisation:

Assistance from Special Area Financial Sources:

Documents Available: Cutting from Furniture Manufacturer, April 1975

Cumberland Curled Hair Manufacturing Company Ltd

Kurt A Oppenheim was born in Kassel, Germany, in 1918. His family had been in the curled hair business since 1833. Curled hair is processed animal hair and is used in high-quality bedding and furniture.

After attending school in Switzerland and college in England, he returned to Germany to arrange his emigration to the USA, which had become urgent because of Nazi pressure. He arrived in England on a transit visa in the spring of 1939. Shortly after the outbreak of the War, his visa for the USA arrived, but he decided to stay in England. During the early part of the War, he was engaged in the recruitment of Allied nationals who had fled to Britain. Towards the end of the War, he worked for a London firm producing curled hair and feathers, mattresses, pillows, sleeping bags, etc for the Armed Services.

At the end of the War, Kurt Oppenheim had the opportunity to join his father, who had succeeded in establishing a curled hair factory in Switzerland before the War. He decided to stay in Britain and to set up his own processing works.

He came to Whitehaven in 1945, but neither the promised factory space nor the financial assistance materialised. He then looked for an available factory space outside the Government-financed factory sector and found the old Tower Brewery at Whitehaven, where the Head Office of his companies is still situated.

The post-War boom enabled the firm to expand and by 1950, more space was required. A factory was rented at Richmond Hill, on the outskirts of Whitehaven.

During the following years, the firm started to experiment with the manufacture and use of foam produced from chemicals. Although materials produced in this way were not considered superior to curled hair, economic factors were likely to ensure their future. By 1959, polyurethane foam was being produced at Richmond Hill and, in 1960, a subsidiary company, Cheri Foam Ltd, was formed to launch the new products on the home market.

By 1963, the large increase in the demand for foam and the steady, continuing demand for curled hair made it necessary to consider very much larger factory premises. The firm, therefore, bought two large ex-RAF hangars on a 10 acre site at Silloth airfield, 30 miles to the north of Whitehaven. In this way, the firm acquired 100,000 sq.ft. of unrestricted space within easy reach of the M6 motorway. Production continued to expand and further buildings were added.

In 1972, Cheri Foam set up moulding unit for pre-formed foam shapes made from cold-cure, high-resilience foam. This material has the advantage of being suitable for complex shapes with internal supports, eliminating

Cumberland Curled Hair Manufacturing Company Ltd

some of the labour involved in furniture assembly.

The company also set up its own workshops for the manufacture of moulds to customers' requirements and since 1972, the production of such moulds has more than trebled.

With the completion of further buildings, the firm now occupies more than 200,000 sq.ft. of space at Silloth.

The company's products (Cheri Foam and Cheritex) are well known in the furniture, bedding, automotive, public transport, caravan and allied industries. It operates its own fleet of large vehicles, finished in a distinctive livery.

Both Curled Hair Ltd and Cheri Foam Ltd have a significant share of the market for their products.

In 1975, the group was acquired by Beaver Paint Group, and in 1977, by their present owners. Kurt Oppenheim intended to retire from the management of the firms at the end of 1977.

Case History Reference: 43. A/ I/a/M

Firm: CUMBERLAND PAPER COMPANY LTD
(now Cross Paperware Ltd)

Address: Cleator, Cumbria

Founder(s): Alexander and George Hurst (Herz),
Alexander Engel, Tibor Ambrus

Founder(s) ' Capital: Small

Year of Foundation: 1939

Product(s): Paper converters

Employment on the 1.11.1974: 180

Volume of Sales in 1974: £ 2.5 million

Exports in 1974: 12%

Last - known Ownership: Bowater Group

Source of Information: Alexander and Mrs. L. Engel, one of the
founders, and his wife

Were similar Products made or
sold in country of origin? Yes

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation: Promotion of Cumberland Development Council
in Hungary

Post - 1940 Foundation:

For Pre-War Foundations only

Contact with Special Area
Development Organisation: CDC

Assistance from Special Area
Financial Sources: Nuffield Trust, Treasury

Documents Available: No

Cumberland Paper Company Ltd

Alexander Engel was born in Kosice, Slovakia, (then part of Hungary) in 1901, where he established a paper converting firm in the late 1920's by the name of Papyros. The firm had export connections with Britain.

Alexander Hurst was born in Budapest in 1911. He was connected with the old-established family concern of paper converters, Herz & Balint, as was his brother George. Tibor Ambrus was the son-in-law of Mr. Balint and was also working in the business.

When Czechoslovakia had to cede a part of Slovakia, including Kosice, to Hungary after the Munich 'agreement' in September/October 1938, A. Engel decided to emigrate to Britain, if possible. On a visit to the British Commercial Counsellor at Budapest, he met members of the Herz & Balint concern, who had already made enquiries about the possibility of setting up a paper converting factory in Britain. It was decided that the two groups should join forces. They met Jack Adams and Frank Anderson, M.P. for Whitehaven, who acted on behalf of the Cumberland Development Council, in Budapest and were persuaded to set up in West Cumberland, where a 6,000 sq.ft. factory was made available for them at Cleator Mill.

The partners arrived in Britain in August 1939. They succeeded in getting at least some machinery out of Hungary before the War would have made this impossible. The raw material they had ordered, however, did not get through: Dispatch of three waggon loads of paper ordered from a Czech mill was stopped by export regulations brought in by the Nazi occupation authorities.

The founders intended to start the production of crepe papers and paper serviettes. The immediate difficulty was the supply of raw materials, which were rationed in a way that made supply dependent on quantities used during the year before the War. Through friends in the paper business, some material was eventually secured. The production of some war materials (grammets for shells) and export of serviettes secured further supplies. The firm also began to act as a converter for other firms which had to restrict output for one reason or another during the War, or under industrial concentration schemes.

The general difficulty of obtaining material during the War, however, made the firm look for other products and the production of goods made from plastic sheet, such as hoods and raincoats, was started and eventually set up as a separate venture in the Empire Hall, Egremont, a corrugated steel-covered former cinema. The company established was called Seagull Products Ltd, after the logogram of Cumberland Paper Company (see also case history no.52). The Seagull company was sold in 1952, when raw materials for paper converting were fully available again. Immediately after the War, the firm took up some of its old connections on the Continent again and supplemented

Cumberland Paper Company Ltd

scarce local paper supplies by imports.

A 16,000 sq.ft. factory was built at Cleator in 1948 and extended, in two stages, by another 53,000 sq.ft.

In 1954, the business was acquired by Purnell & Sons of Paulton, Bristol (then or later a company in the British Printing Corporation Group). The new owners enabled Cumberland Paper Company to acquire Cross Paperware Ltd in 1958. In 1969, the name of Cumberland Paper was changed to Cross Paperware Ltd. Recently, the company was acquired by its present owners.

Tibor Ambrus left the firm in the early 1940's. Alexander Hurst died in 1955. Alexander Engel retired in 1964, but George Hurst continued to work in the firm until the middle 1960's.

Mr. & Mrs. Alexander Engel, who provided us with the whole of the information on the firm, have asked us to record that the information they have given us on employment, sales and exports in 1974 are believed by them to be correct, but they drew attention to the fact that Mr. Engel retired from the firm 10 years before our key date.

Spin-Off: L. Fischer Ltd, (see case history No.45)

Case History Reference: 44. A/II/a

Firm: ELMA SPORTSWEAR LTD

Address: Millom, Cumbria

Founder(s): Dr. Imre and Martha Elek

Founder(s)' Capital: Adequate

Year of Foundation: 1959

Product(s): Leather fashion coats

Employment on the 1.11.1974: 60

Volume of Sales in 1974: £ 400,000

Exports in 1974: 50%

Last - known Ownership: Gloverall Ltd

Source of Information: Dr. I. Elek, one of the founders

Were similar Products made or
sold in country of origin? No

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation:

Post - 1940 Foundation: Dr. Elek was one of the founders of another
refugee firm at Millom

For Pre-War Foundations only

Contact with Special Area
Development Organisation:

Assistance from Special Area
Financial Sources:

Documents Available: No

Elma Sportswear Ltd

The origins of Dr. Imre Elek, and the events leading up to his arrival in Cumbria are described in case history No.47 (A. Hearfield Ltd).

When that company was acquired, Dr. Elek, together with his wife Martha, set up a new firm at Millom, to produce leather fashion coats.

They started production in an old building which they extensively restructured. Within a year, the firm employed 45 people. A German fashion expert was brought into the business, but he proved to have insufficient manufacturing expertise. The problems of his departure were overcome and the firm prospered. Much of its output was exported to Australia, Japan and the USA.

After the death of Martha Elek, the firm was sold to Gloverall Ltd, a well-known company in the sportswear trade.

Case History Reference: 45. II/a

Firm: L. FISCHER LTD

Address: Cleator, Cumbria

Founder(s): Ladislav Fischer

Founder(s)' Capital: Small

Year of Foundation: 1948, incorporated 1950

Product(s): Divan Headboards, unit furniture in melamine

Employment on the 1.11.1974: 70

Volume of Sales in 1974: £ 500,000

Exports in 1974: Small

Last - known Ownership: Founder and family

Source of Information: Founder

Were similar Products made or
sold in country of origin? No

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation:

Post - 1940 Foundation: Spin-off from refugee firm in Cumbria

For Pre-War Foundations only

Contact with Special Area
Development Organisation:

Assistance from Special Area
Financial Sources:

Documents Available: Cutting from Cabinet Maker & Retail Furnisher
8 April 1977

L. Fischer Ltd

Ladislav Fischer was born in Kosice, Slovakia, in 1913. He served an apprenticeship as a joiner and cabinet maker and, during the last year or two in his native country, he worked in a company making plywood for aircraft.

Because of the Nazi occupation of Czechoslovakia and the difficulties being created for Jewish people in Hungary, which had annexed part of Slovakia, including Kosice, after the Munich crisis in 1938, L. Fischer had to leave. He was offered a position with a British firm making aeronautical plywood (Austin Veneer and Plywood), and as a result, he was allowed to come to Britain. He arrived in August 1939. Almost as soon as the War started, however, that company became involved in secret war work and L. Fischer, as an alien, had to leave.

He came to Cumberland in 1941, to work at Cumberland Paper Company Ltd (see case history no.43) as a joiner. A. Engel, one of the founders of Cumberland Paper Company, also hailed from Kosice and his father at one time employed L. Fischer's father.

After a year in Cumberland, L. Fischer joined the Czech Army in Britain. He was demobilised in 1946 and rejoined Cumberland Paper Company.

In 1948, he set up as a working joiner, gradually entering the business of furniture making. In 1950 he incorporated his business. In that year, too, he obtained approval to make Utility furniture (a requirement left over from the War), but even at this early stage, he sold well-made pieces to prestigious houses like Heal's of London. At this point, he employed about 8 people and operated from a disused chapel at Cleator. His products at that time included components for beds, headboards, school, hospital and kitchen furniture. His machinery was second-hand, or older, and he had to make much of it useable himself. He found it impossible to get any financial assistance, except for a £ 3,000 loan from the Rural Loan Fund (now Council for Small Industries in Rural Areas) in the late 1960's.

The business grew, in spite of a number of obstacles, and in 1968, a 10,000 sq.ft. factory was built for the firm at Cleator, opposite the old chapel which had served as its works for almost 20 years. The factory has been extended twice and now provides 20,000 sq.ft. of space. Recently, a 40,000 sq.ft. factory was acquired by the firm at nearby Egremont, which vied with Cleator for the dubious reputation of being the most depressed place in West Cumberland before the War.

More than 80% of the production is now in headboards for various bedding manufacturers and for sale directly to the retail trade. The factory is organised on the most modern lines, including computer-assisted book-keeping and dispatch arrangements. The firm delivers in its own vans, carrying its

L. Fischer Ltd

'Roomscene' logo to all northern centres.

L. Fischer's son John, a graduate in Economics and Industrial relations, joined the firm in 1972.

The founder believes that his business is going to expand substantially over the next few years.

Case History Reference: 46. II/d/M

Firm: PAUL GREEN LTD
P.G. Safety Ltd

Address: Solway Trading Estate
Maryport, Cumbria

Founder(s): Paul Green (Gruen)

Founder(s)' Capital: Small

Year of Foundation: 1952

Product(s): Spectacle frames, industrial visors

Employment on the 1.11.1974: 100

Volume of Sales in 1974: £ 500,000

Exports in 1974: 15%

Last - known Ownership: Founder and family

Source of Information: Founder

Were similar Products made or sold in country of origin? Yes

Reason for Establishment in a Special Area of the North:

Pre-War Foundation:

Post - 1940 Foundation: Prior settlement of relations in Cumbria

For Pre-War Foundations only

Contact with Special Area Development Organisation:

Assistance from Special Area Financial Sources:

Documents Available: No

Paul Green Ltd

Paul Green was born in Budapest in 1907. In 1931, he started to manufacture spectacle frames in Brno, Czechoslovakia. When the Nazis occupied that country in March 1939, he found himself on a business trip in Switzerland. He decided not to return to Czechoslovakia and to go to Britain, where he arrived on 2 April 1939. He hoped to arrange for his wife and child to follow, but he was never to see either of them again.

He obtained almost immediately a position in his trade in London, taking charge of production at a firm of spectacle frame makers.

In 1941, he moved to Glasgow and worked in a similar position. In 1952, P. Green set up his own manufacturing company in Glasgow. In 1960, he moved his works to a Trading Estate in Cumbria, where his cousins Andrew and Tibor Seidner were running a manufacturing firm of their own at Egremont (see case history no.52, Seagull Products Ltd).

The firm grew rapidly and, apart from a Board of Trade loan, did so out of its own resources.

A few years ago, P. Green set up a small subsidiary, P.G. Safety Ltd, in partnership with Eric Billington, to produce safety visors for a wide variety of industries. The factory of P.G. Safety Ltd is situated on the Glasson Trading Estate, Maryport.

P. Green's son Allan joined the firm in 1971 and is gradually taking over the management.

Spin-Off A former member of this firm, a Mr. Owen, set up his own spectacle frame manufacturing business in Aspatria, Cumbria

Case History Reference: 47. A/II/d/M

Firm: A. HEARFIELD LTD
(now part of Elbeo Ltd)

Address: Millom, Cumbria

Founder(s): Ivan Fekete and Dr. Imre Elek

Founder(s)' Capital: Small

Year of Foundation: 1948

Product(s): Hosiery

Employment on the 1.11.1974: 350

Volume of Sales in 1974: £ 4 million

Exports in 1974: Over 50%

Last - known Ownership: Elbeo A.G., Germany

Source of Information: Dr. I. Elek, one of the founders

Were similar Products made or
sold in country of origin? Yes

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation:

Post - 1940 Foundation: Prior settlement of relations in Cumbria

For Pre-War Foundations only

Contact with Special Area
Development Organisation:

Assistance from Special Area
Financial Sources:

Documents Available: No

A. Hearfield Ltd

The family of Ivan Fekete, born in 1914 in Budapest, were associated with the well-known firm of Gutmann & Fekete of Budapest (GFB), who were manufacturers of hosiery and also owned 7 retail shops in Budapest, where merchandise of high quality was sold.

Dr. Imre Elek, born in 1906 in Budapest, was an economist. His brother-in-law, Andrew Vigodny, had established a tannery at Millom before the War, (see case history no.53, West Coast Chrome Tanners Ltd).

I. Fekete and Dr. Elek survived the War after suffering grave hardships. Fekete is said to have walked to the Volga to escape the Nazis and the Hungarian Fascists. I. Fekete and Dr. Elek were old friends.

The partners arrived in Britain in 1948 and decided to establish a hosiery factory at Millom. The name of the firm they founded is that of a ready-made company they purchased and has no other significance. A Government-financed factory was built for the firm at Millom, originally of 6,000 sq.ft. in size, later extended to 24,000 sq.ft., and since the take-over by Elbeo, to 72,000 sq.ft.

The firm started with 24 knitting heads, now increased to 500. The most modern equipment was installed, but the high cost of stocking-knitting machines posed serious financial problems, but as the market for nylon stockings was buoyant, they were gradually overcome, as also the working capital problem, which arose out of the need to buy and stock very large quantities of yarn.

The firm appears to have prospered almost from the beginning.

In 1959, the German company Elbeo joined the firm as a partner, and acquired the whole of the equity in 1960. Dr. Elek left almost immediately and set up another manufacturing firm at Millom (see case history no.44, Elma Sportswear Ltd). Ivan Fekete stayed on for a few years.

The factory is now a major manufacturing unit within one of the world's largest producers of hosiery. Its products are exported all over the world.

After the Hungarian revolution of October 1956, some 20 refugees who arrived at Millom were given employment at A. Hearfield. It is said that all of them have now left and settled elsewhere.

Case History Reference: 48. A/ I/b/M

Firm: HORNFLOWA LTD
(now Maryport Division of
British Industrial Plastics Ltd

Address: Solway Trading Estate
Maryport, Cumbria

Founder(s): Max Kraus, H. Winter, Dr. Gelber, Dr. R. Neiger,
Dr. Donat, Helbert Wagg Ltd

Founder(s)' Capital: Not known

Year of Foundation: 1938

Product(s): Buttons, fertilisers, moulding tools

Employment on the 1.11.1974: 600

Volume of Sales in 1974: Not made available

Exports in 1974: 5%

Last - known Ownership: Turner and Newall Group

Source of Information: Charles F. Herzberg, son of former Managing
Director, Michael Chadwick, General Manager

Were similar Products made or
sold in country of origin? Yes

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation: Promotion by the Cumberland Development Council

Post - 1940 Foundation:

For Pre-War Foundations only

Contact with Special Area
Development Organisation: C.D.C.

Assistance from Special Area
Financial Sources: S.A.R.A., Treasury

Documents Available:

Hornflowa Ltd

As most of the founders had ceased to be connected with the firm over 30 years ago, we have not been able to obtain a great deal of personal details. We established, however, that Max Kraus and H. Winter owned a button manufacturing concern of substance in Ostrava, Moravia, Czechoslovakia. Dr. Gelber was the son-in-law of Max Kraus, Dr. Neiger was the chief chemist of the Ostrava works, and Dr. Donat was a Czech High Court judge.

The founders were attracted to West Cumberland by the efforts of the late Lord Adams and of the late Frank Anderson, M.P. for Whitehaven. They appear to have arrived in Cumberland sometime in 1938 and started production in a temporary factory at Maryport. They obtained substantial financial support from the Treasury and from S.A.R.A. and, it is believed, from Banking interests.

Only a small part of the demand for buttons for men's wear had, up to then, been met from British production, the bulk being imported. With War likely, there was a potential large additional demand for uniform buttons.

Buttons had been made for generations from milled hoof and horn mixed with casein. This type of button could safely be ironed on garments. Later, urea formaldehyde was added, but this made the material too brittle for machining. Dr. Neiger developed a process in which urea formaldehyde was the main material, using milled hoof and horn only as a filler. Still later, cellulosic fillers were used, excluding all animal material.

Early in 1939, Dr. F.M. Herzberg was brought into the business as financial director. He had been Managing Director of J. Estermann A.G., a leading Austrian producer of fats and soaps. Sometime in 1940, the founders were bought out by financial institutions, of which merchant bankers Helbert Wagg were the most prominent. At this point, Dr. Herzberg became Managing Director.

In January 1940, the company moved into a 12,000 sq.ft. factory on the Solway Trading Estate at Maryport. Apart from buttons and fertilisers, (made from the residue or surplus hoof and horn material), the company produced moulding tools and appears to have grown rapidly.

At the end of the War, the firm expanded the production of tools and gauges and started to market the formaldehyde resin it produced for its own use. It also began to diversify into injection and custom compression mouldings.

There were, at the time, close contacts with a major competitor, British Industrial Plastics Ltd, then still an independent firm. When BIP wanted to expand, a mutually agreed take-over took place in 1955. Dr. Herzberg, then 70 years old, was able to retire. A few months later, BIP itself was taken over by the Turner and Newall Group.

Hornflowa Ltd

The production of resin was discontinued and replaced by general Trade moulding, mainly in melamine, and the engineering side was expanded. The manufacture of moulding machines was commenced. Although the production of buttons was continued, - the company is, in fact, the largest producer of buttons for mens' wear in Britain -, buttons now form a relatively small part of the firm's sales.

Although the management felt unable to disclose the volume of sales for 1974, it did tell us that sales increased 14 fold, in cash terms, between 1962 and 1974.

Case History Reference: 49. A/ I/a

Firm: KANGOL GROUP
(main companies and associates listed
at end of case history)

Address: Norfolk Street
Carlisle, Cumbria (Head Office)

Founder(s): J. Spreiregen

Founder(s)' Capital: Small

Year of Foundation: 1936 in London, 1938 as manufacturer

Product(s): Berets, caps, ladies' millinery and headwear,
car seat belts, safety head wear

Employment on the 1.11.1974: £ 5 million

Volume of Sales in 1974: 1,250 (in North)

Exports in 1974: 65% headwear, 25% seat belts and safety helmets

Last - known Ownership: American Safety Equipment Corporation Inc, USA

Source of Information: J. Meisner, joint Managing Director,
nephew of founder

Were similar Products made or
sold in country of origin? Yes (berets)

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation: Promotion by Cumberland Development Council

Post - 1940 Foundation:

For Pre-War Foundations only

Contact with Special Area
Development Organisation: C.D.C.

Assistance from Special Area
Financial Sources: Nuffield Trust, Treasury

Documents Available: Newspaper cuttings

Kangol Group

J. Spreiregen was born in Russian Poland (believed Warsaw) in 1892. In the early 1900's, his family moved to France because of the political situation. In the first world War, J. Spreiregen fought for a time in the British Army and, as a result, was given British citizenship. After the War, he engaged in trading in Paris. In the late 1920's, he was in the millinery trade, specialising in berets. In 1934, it is believed, he moved to London, because, it is said, he feared the nearness of Nazi Germany. He set up an export/import business dealing in silk and angora wool (from which the name of the firm was later taken). It is believed that Kangol Ltd was established in 1936.

The inclusion of this firm in our study requires justification: Not only was it described to us as a refugee firm by all the people we were in contact with in Cumbria, but both the founder and his two nephews, who were to play a major role in the development of the business, would have been threatened with deportation and worse by the Nazis, had they remained in France after 1940. Indeed, one of the nephews at least, escaped from that country after its collapse in 1940.

J. Spreiregen contacted the Cumberland Development Council sometime in 1937, after seeing an advertisement by this body or by Frank Anderson, M.P. for Whitehaven. After some negotiations, which included discussions with the Nuffield Trust, J. Spreiregen agreed to come to Cumberland and to set up a factory at Cleator Mill, to which we have referred on page 77.

Joseph Meisner, one of the founder's nephews, was born in Paris in 1913. He arrived in Cumberland in March 1938 and assisted in setting up the plant, which had been acquired by the purchase of a French producer of berets.

Production started in September 1938 with a labour force of 35 people. The business did not succeed very well initially, partly because of the competition from Czech imports.

The start of the War improved matters. King George VI and General Montgomery liked berets and this was believed to be the reason why the Services gradually adopted them.

J. Meisner was called up to the French Army in September 1939 and was demobilised after the defeat of France in 1940. He succeeded in escaping from France in 1943 and returned to his job at Kangol Ltd.

There were 4 other British firms producing berets, but the demand during the War was so great that all of them were fully stretched. After the War, the demand was even greater and Kangol found it difficult to meet the demand in the boom years up to 1950. One of the problems was the shortage of machinery. The traditional suppliers abroad were not yet able to deliver. Kangol decided to design its own machines and it found a manufacturer in the Leicester

Kangol Group

area able to produce them. About 200 of these machines were eventually produced.

In 1950, Kangol began to diversify into general headgear. In 1952, it became a Public Company. At about that time, Kangol acquired an old-established hat-manufacturing firm in Carlisle, W. Carrick & Son Ltd. Production of hats was curtailed, however, in order to make room for the production of seat belts for motor cars and crash helmets for motor cyclists, market areas which Kangol had recently entered. The demand for seat belts increased so greatly that further manufacturing space was required. The crash helmet line was, therefore, moved to a factory in Stranraer, Wigtownshire, Scotland, in 1973. In the same year, the firm producing the metal parts for seat belts in County Durham was acquired.

The group has factories in Cleator (where it occupies almost the whole of the old mill), in Frizington and in Carlisle, Cumbria, in Stranraer, Wigtownshire, in County Durham and in Huddersfield, where wool and Angora yarn (for novelties) as well as the material for seat belts are being spun.

In 1969, J. Meisner became Joint Managing Director. The founder retired in December 1972, aged 80. In that year, the group was acquired by the American Safety Equipment Corporation.

The group consists of the following firms:

Kangol Ltd,	Millinery and headgear
Kangol Magnet Ltd,	Safety Belts
Kangol Helmets Ltd,	Crash helmets
Kangol SA, Pretoria, S. Africa,	Manufacturers of berets
Kangol Thelen, Germany,	Manufacturers of hats and millinery
Kangol Inc.,	USA sales company

The company won the Queen's Award to Industry for Exports in 1966 and in 1970

Spin-Off: Roko Ltd, see no.22 of firms no longer in existence

Case History Reference: 50. A/ I/a

Firm: LAKELAND FOOD PRODUCTS LTD
(now a unit of Spillers Foods Ltd)

Address: Solway Trading Estate
Maryport, Cumbria

Founder(s): Francis Springell (Sprinzell) and
G. Mason-Stern (Stern)

Founder(s)' Capital: Adequate

Year of Foundation: 1939

Product(s): Packers of dried, preserved and crystallised
fruit, vegetables and meat products

Employment on the 1.11.1974: 260

Volume of Sales in 1974: Not made available

Exports in 1974: " " "

Last - known Ownership: Spillers Group

Source of Information: Mrs. G.B. Springell, widow of one of the
founders, W.J. Temple, production manager

Were similar Products made or
sold in country of origin? Yes

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation: Promotion by the Cumberland Development Council

Post - 1940 Foundation:

For Pre-War Foundations only

Contact with Special Area
Development Organisation: C.D.C.

Assistance from Special Area
Financial Sources: Believed no

Documents Available: No

Lakeland Food Products Ltd

Francis Charles Springell was born in Prague in 1898. His grandfather had founded the firm of Sprinzell, colonial produce importers and packers and coffee blenders. By the time F.C. Springell entered the business, it had become a substantial concern. But in addition to his business interests, he was also a collector and writer on Art and he became well-known by his work on the Bohemian artist Wenceslas Hollar, who had fled to Britain from the inquisition in the 17th century.

F.C. Springell was on a visit to Britain in connection with his Art interests when the Germans marched into Czechoslovakia in March 1939. He decided to stay in Britain and to try and set up a food packing business. He was put in touch with the officers of the Special Areas Development organisations and the Cumberland Development Council persuaded him to settle in West Cumberland (" if you go to Wales, you won't understand a word they are saying").

A railway journey led to a chance meeting with another Czech refugee, G. Mason-Stern, whose family had owned a well-known chain of food shops in Czechoslovakia (Milias). He, too, had considered setting up a food packing plant in Britain. They decided to set up together.

A 6,000 sq.ft. factory was rented at the Solway Trading Estate at Maryport. An engineer from the Sprinzell factory in Prague was brought over. The firm started with 25 employees, packing dried, preserved and crystallised fruit, and vegetables.

A few months after the start of the War, the firm started packing for the Ministry of Food, who provided all raw materials. This proved to be very fortunate for the firm, because materials for non-Government orders was difficult to obtain and subject to stringent controls. The firm produced, in addition to the lines listed above, tinned meat pies, baked beans etc. The labour force rose to 300 and another factory was rented on the Solway Estate, and a further one at King Street, Maryport (now demolished). The labour force included a number of drivers, as the firm ran its own fleet of lorries.

At the end of the War, the firm continued to work for the Ministry of Food for a time, but with the end of rationing in the middle 1950's, it reverted back to its original product lines, developing, in addition, a range of fine foods, for example, canned Hungarian Goulash.

The company was acquired by Tynebrand Products Ltd in 1960, and by the Spillers Group in 1967. F.C. Springell suffered a stroke in 1954, but carried on until the early 1960's, when he retired from the firm. He died in 1974. A cousin of his, T. Kewan (Kuhn), who had survived the War in Czechoslovakia, joined the firm in the late 1940's, it is believed. He and G. Mason-Stern left the firm in 1960 or shortly afterwards. The firm now occupies 60,000 sq.ft. of space.

Spin-Off: None known

Case History Reference: 51. A/ I/a

Firm: MARCHON PRODUCTS LTD
Solway Chemicals Ltd
(now Whitehaven Division of Albright & Wilson Ltd)

Address: Whitehaven, Cumbria

Founder(s): Franz Schon
Frederick Marzillier

Founder(s) ' Capital: Small

Year of Foundation: 1939

Product(s): Detergents and their intermediates, cement

Employment on the 1.11.1974: 2,300

Volume of Sales in 1974: £ 40 million

Exports in 1974: 50%

Last - known Ownership: Albright and Wilson Group

Source of Information: Lord Schon
Otto Secher CBE,

Were similar Products made or
sold in country of origin? Yes

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation: Inability to develop in London

Post - 1940 Foundation:

For Pre-War Foundations only

Contact with Special Area
Development Organisation: Cumberland Development Council

Assistance from Special Area
Financial Sources: Treasury

Documents Available: House Magazines, Paper by F. Schon to seminar
at London School of Economics, ' Problems of
Industrial Administration', No.190, 1.5.1956
Article by O.Secher in House Magazine

Marchon Products Ltd

Frank Schon was born in Vienna in 1912. He studied Law externally at the Universities of Prague and Vienna while at the same time doing a full-time job in a cousin's business in Prague. This firm was engaged in the chemical trade and acted as an agent, among others, for the German company Deutsche Hydrierwerke, one of the world's first producers of raw materials for synthetic detergents. The contact with this field and the experience he gained were to prove of crucial importance to F. Schon's subsequent activities in Britain.

In March 1939, - 10 days after the German invasion of Czechoslovakia -, F. Schon escaped from that country and arrived as a refugee in Britain, after an adventurous journey. He was 26 years old and had the firm intention to develop a detergent business in Britain. He joined the London branch of his cousin's firm, Cyclo-Chemicals Ltd, where he met F. Marzillier (born in London in 1906), who acted as an administrator.

At the end of 1939, F. Schon and F. Marzillier joined to found Marchon Products Ltd, which began life as a trading company in a small office at No.4 Cullum Street (off Fenchurch Street). They were soon joined by Otto Secher, (born in Vienna in 1905), F. Schon's brother-in-law, who had been among the refugees brought to Richborough Camp, Kent, to which we referred in chapter 4. There was so little money, however, that Otto Secher did not receive a wage for some time to come.

In May 1940, F. Schon was interned. On his return a few months later, he found that the Cullum Street offices had been bombed and that the firm had moved to another small City office at Charterhouse Buildings. Apart from the general impossibility of any industrial development in London at that time, the bombing soon decided the partners to move out of London.

Cumberland was chosen at the suggestion of J. Spreiregen, one of F. Marzillier's friends, who had set up a factory there in 1938 (see case history no.49, Kangol Group).

The move was made towards the end of 1940. F. Schon went first, followed by F. Marzillier and his family. Lord Schon often refers to the help he received from local people, in particular from Jack (later, Lord) Adams, of the Cumberland Development Council and the West Cumberland Industrial Development Company, who played an important part in the development of the firm.

The first 'factory' was a garage at Hensingham, Whitehaven, part of a semi-detached residence which housed the laboratory. A Mrs. Bailey, an Austrian friend of F. Schon, suggested that Marchon should make firelighters. The raw material was in short supply but the need to save paper and wood ensured that some official help was given in obtaining it. Three condemned cottages nearby were converted into stores and the production of firelighters started.

Marchon Products Ltd

They were not, at first, particularly good firelighters. " Some people ", Otto Secher recalls, " called them Marchon fire extinguishers." They were made from wet sawdust, which was dried in a primitive way, but after some experiments with crude naphthalene, a better product resulted and the firm's fortunes improved. Later, F. Marzillier experimented with a new kind of brick firelighter, which is the type use today.

At the same time, the firm marketed some chemicals - on a very limited scale - which could be regarded as raw materials for the detergent field. One of its customers asked Marchon to organise for them the manufacture of some of their products in Cumberland, as their factory in London was about to be requisitioned for War production. Marchon acquired some buildings at Whitehaven and leased others in the vicinity and it was there that the chemical processing of detergents began. The firelighter business, which had become relatively important, was re-organised and transferred to a small disused varnish factory nearby.

For the first 8 months, Otto Secher worked at Kangol, but helped out at Marchon in the evenings and at week-ends, - still unpaid.

F. Schon had acquired a thorough knowledge of the production and uses of fatty alcohol derivatives on the Continent and had cherished the ambition to develop the manufacture of detergent chemicals based on these higher molecular alcohols in Britain.

The money raised from the sale of firelighters was, therefore, invested in plant and machinery for the production of chemicals, including fatty alcohol sulphates, which were supplied at that time to the textile and leather industries.

Firelighter output continued to improve and sales of detergent intermediates developed. Marchon needed more space and took over the Guinea warehouse and other small premises in Whitehaven.

Schon's entrepreneurial talents were matched by Marzillier's skill in controlling cash flow and setting up an administrative system which fitted the needs of a growing business.

In 1943, a major step forward was taken when the firm moved into part of its present cliff-top site at Kells, Whitehaven. The site had previously been occupied by the Ladysmith coke oven works, and the derelict plant proved difficult and expensive to dismantle.

A well-designed plant for the sulphation of fatty alcohols was installed, together with a modern disc drier, replacing the earlier, somewhat improvised plant. Research continued to be carried out in the converted hen house.

When the War ended, the ordnance factory at Sellafield - some 20 miles away - was closed down and a great deal of material came on the market.

Marchon Products Ltd

Marchon bought two large 4-storey buildings and a small laboratory and dismantled them, re-erecting them at Kells, where they are still in use today. This acquisition gave the firm some much-needed additional space at a time when building was restricted by the shortage of structural steel. The exercise displayed Frank Schon's acumen and drive in a dramatic way.

Apart from buildings, the firm also acquired some expert staff from Sellafield, several of whom were to play an important role in the post-War development of the business.

During these years, firelighters remained a steady, if diminishing source of income. Production at Whitehaven continued until 1954, when it was transferred to an Albright and Wilson subsidiary in Ireland, where they continue to be made today.

In the detergent field, further sulphation equipment was installed, as also another disc drier. The production of Glyceril Mono-Stearate and of additives for Castor motor oils was successfully introduced..

In 1948, F. Schon and a senior member of staff went to the USA for a brief visit. They knew only a few people when they landed, but they returned with valuable information and with the design of a 5Ton/hour jet spray tower presented to them by Harry Theobald of Theobald Industries Inc. of New Jersey, who became a firm friend of Marchon. The spray tower was built at once at Whitehaven and, with some improvements, is still in use today. It enabled Marchon to become a major force in household detergent powders.

Manufacturing contracts for these products were negotiated with companies like Chesebrough Ponds, Beechams, the CWS and with Colgate Palmolive, which acquired 10% of Marchon's equity (later to be bought back by Albright & Wilson).

The agreement with Colgate included a very large order for a packed detergent called FAB, but there were technical difficulties and vast quantities of the material had to be recalled from the shops.

By the end of the 1940's, a most significant decision was taken: To concentrate on the most important detergent ingredient, tri-polyphosphate. Furthermore, the so-called 'wet' route was to be taken, in which sulphuric acid is reacted with phosphate rock.

With the onset of the Korean War in 1952, the exports of elemental sulphur from the USA were severely restricted. This led to a serious shortage of sulphuric acid in Britain and Marchon found itself very short of an essential raw material for the new process it had decided on. When Frank Schon appealed to the Board of Trade for help, it was suggested to him that he should make sulphuric acid from anhydrite and so have his own supply.

At this point, Marchon had an enormous stroke of luck: When discussing the problem with Jack Adams, Schon was informed by him that Marchon was sited

Marchon Products Ltd

on an inexhaustible supply of anhydrite at Kells!

Marchon - still a comparatively small company - decided to mine the anhydrite, to invest a very large amount of money - including money raised by a Government loan - and to make their own sulphuric acid by the Mueller-Kuehne process, enlisting the originator of the process as a consultant.

The first two acid kilns were started up in 1955, to be followed by three more later.

The decision to produce sulphuric acid was part of a continuing policy to produce those raw materials which had to be bought in and whose supply had in the past limited the scope of Marchon: Sulphuric acid, fatty alcohols and phosphates. In pursuance of this policy, a hydrogenation plant was opened by Sir Henry Tizard, a director of Marchon, in 1954 and the production of sodium tri-polyphosphate, which forms one third by weight of all detergent powders, was commenced. The acquisition of Perry and Hope Ltd of Glasgow gave Marchon a good deal of additional know-how in the phosphate field.

In December 1955, Marchon Products Ltd and all its subsidiaries were acquired by Albright and Wilson Ltd, another producer of sodium tri-polyphosphate, among many other products.

The 1950's saw several important developments in the international sphere. In 1956, Otto Secher negotiated a contract with Colgate Palmolive of Milan for the supply of 150,000 cases of OLA detergent. This business was to grow to more than 3 million cases over the next 3 years. These exports were shipped from Whitehaven (to Anzio) and revitalised the Port of Whitehaven, as did other Marchon shipments.

In 1952, Marchon decided to build factories in Italy (at Castiglione in the North), later in Southern Italy, in France (at St. Mihiel) and in Spain (at Alcover).

A contract was signed with Techmasch in Moscow to build two alkyl-amine plants in Russia. The venture not only proved remunerative, but also gave Marchon a high reputation which later enabled it to establish a valuable export market in Russia.

F. Marzillier retired in 1957. Frank Schon left the Group in 1967. He was knighted in 1966 and was made a Life Peer in 1976. Peter Baines took over as Managing Director when F. Schon left. Otto Secher became vice-chairman in 1957, chairman in 1962 and Managing Director in 1969. He retired in 1971. He was awarded the CBE in 1969.

The emphasis on overseas trading continued and the firm received its first Queen's Award for Exports in 1966, the first year of the Award, and another in 1969. We are aware of another one, after our key date.

In 1970, O. Secher initiated an investigation into the viability of

Marchon Products Ltd

the anhydrite process, with a view to changing to sulphur as the raw material. Because the equipment was ageing, the anhydrite process had become expensive to run. The decision to change over was made in 1971, the year O. Secher retired. The first sulphur burner was started up in 1973 and additional burners have since come into operation.

Since the retirement of Otto Secher, other big investments have been made: A new phosphoric acid concentrator, the M.O. plant, a new amine plant, liquid filling and automatic bottle-blowing facilities and the automation of the powder line, are the main instances. Further expansion was undertaken on the Continent.

Marchon and its subsidiaries, which include cement and pulp manufacturing companies, a shipping company and a sales company looking after outlets in the retail trade, is one of the major chemical companies in Britain today.

The Whitehaven plant is the largest single unit in the Albright and Wilson Group. It has a substantial expansion programme.

We have been able to obtain some indication of the growth of the firm during its formative years in terms of labour employed (source: paper by F. Schon referred to under 'documents available')

January 1944	39 employees	January 1951	586 employees
1945	87	1952	452 (Korean War)
1946	179	1953	673
1947	206	1954	1,200
1948	235	1955	1,447
1949	396	1956	1,650
1950	466	<u>1974</u>	2,300

Spin-Off: None known to Otto Secher

Case History Reference: 52. A/II/a/M

Firm: SEAGULL PRODUCTS LTD
(now a Division of Peter Black (Keighley) Ltd)

Address: Egremont, Cumbria

Founder(s): Cumberland Paper Company Ltd
(see case history no. 43)

Founder(s)' Capital: ----

Year of Foundation: During the War

Product(s): Light travel goods, footwear components,
plastics and leather fabricators

Employment on the 1.11.1974: 150

Volume of Sales in 1974: £ 300,000

Exports in 1974: 30%

Last - known Ownership: Peter Black (Keighley) Ltd

Source of Information: R.J. Brodie, joint Managing Director

Were similar Products made or
sold in country of origin?

Not by founders, but by refugees from
Hungary who took over after the War

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation:

Post - 1940 Foundation: Founders set up a paper company in Cumbria
in 1939

For Pre-War Foundations only

Contact with Special Area
Development Organisation:

Assistance from Special Area
Financial Sources:

Documents Available: No

Seagull Products Ltd

We have given the origins of this firm in case history no.43 (Cumberland Paper Company Ltd).

George Hurst of Cumberland Paper first met the brothers Tibor, born in Budapest in 1919, and Andrew Seidner, born there in 1923, in London in 1950. They had somehow survived the War in Hungary and had started to manufacture leather handbags after it ended. They carried with them export samples and seemed to have intended to start manufacturing in Britain, but this proved impossible at the time for reasons we do not know.

Andrew joined Cumberland Paper Company, while Tibor is believed to have started work at West Coast Chrome Tanners Ltd (see case history no.53).

In 1952, Cumberland Paper Company sold Seagull Products Ltd to the Seidner brothers.

They started to manufacture leather handbags but soon changed over to children's handbags made from plastics. In that field, they eventually supplied 80% of the market. Until 1970, this was the main line of the business. In that year, they started some diversification.

In 1962, a 20,000 sq.ft. factory was built near the old Empire Hall Buildings at Egremont. Two 10,000 sq.ft. buildings were added later. The original Empire Hall has been retained, so that the firm now occupies about 45,000 sq.ft.

In 1973, the firm was acquired by Peter Black Ltd of Keighley, and in 1976, the Seagull company was liquidated, the works becoming the Seagull Division of Peter Black Ltd.

Andrew Seidner left the firm in the late 1960's and Tibor died in 1972. R.J. Brodie then became Managing Director and, since the liquidation of the company, he is joint general manager.

Spin-Off: Norscreen Ltd, Green Lane, Felling, Tyne & Wear

Mr. W. Heff and another silk screen printer left Seagull Products Ltd and set up their own venture in the Newcastle upon Tyne area, where they are believed to have come from. The firm was successful and has recently moved into a new factory at the above address.

Case History Reference: 53. A/ I/a/M

Firm: WEST COAST CHROME TANNERS LTD
(now Millom Leathers Ltd)

Address: Millom, Cumbria

Founder(s): Andrew Vigodny

Founder(s) ' Capital: Not known

Year of Foundation: 1937

Product(s): Leather tanners

Employment on the 1.11.1974: 300

Volume of Sales in 1974: £ 1.5 million

Exports in 1974: 25%

Last - known Ownership: Garston Tanning Group

Source of Information: Alexander Friedmann, a cousin of the founder

Were similar Products made or
sold in country of origin? Yes

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation: Promotion by the Cumberland Development Council
in Hungary

Post - 1940 Foundation:

For Pre-War Foundations only

Contact with Special Area
Development Organisation: C.D.C.

Assistance from Special Area
Financial Sources: Nuffield Trust

Documents Available: No

West Coast Chrome Tanners Ltd

Andrew Vigodny was born in Budapest in 1913. His father, a native of Poland, had come to Hungary as a young man to learn the leather tanning trade at Weiss's tannery in Budapest, whose owners were related to his family. A successor firm, Panonia, is still in existence today. He settled in Hungary and started his own tannery, Adolf Vigodny, during the first world War. The firm was successful, exporting leather all over the world.

The political situation in Hungary in the middle 1930's, however, made it necessary to establish a business abroad. The British representatives of Adolf Vigodny, Hamilton Palmer of Leicester, were made aware of the intentions and they started negotiations with the Cumberland Development Council and the Nuffield Trust early in 1937, possibly after a visit to Hungary by officers of the Council, or at least, after publicity in Hungary by the Council had brought the facilities of West Cumberland to the attention of Adolf Vigodny. A Mr. Herdan, possibly of Rumanian origin, who was associated with Hamilton Palmer, played a leading role in the negotiations. He later became a partner in the Cumberland venture.

Andrew Vigodny arrived in West Cumberland late in 1937. He considered a number of places but chose Millom because of the suitability of the local water for the tanning process. A factory was built in 1938 and completed in October of that year. The original floor space was 51,000 sq.ft.

In the summer of 1938, some key people arrived in Cumberland from the Hungarian tannery to prepare the plant and to train local people. The works manager was T. Gorog. Other key people included Messrs. Weiss, Hirsch, German, Abraham (from Yugoslavia) and Alexander Friedmann, a cousin of Andrew Vigodny, who had been with the Hungarian firm since 1933.

Pilot production started just before the end of 1938 and samples were delivered in January 1939. Soon after, the tannery began to supply British customers who had previously been served by the Hungarian tannery.

With the onset of the War, the firm produced leather for boots for the Armed Services. By the time the War ended, several million square feet of material had been delivered for this purpose.

Adolf Vigodny, who failed to get out of Hungary before the War but had survived it, arrived in Millom soon after the end of hostilities and took some part in the running of the firm.

In 1947, the factory was extended by 15,000 sq.ft. and since then, further extensions and the purchase of adjoining former Defence Department buildings have increased the space to 180,000 sq.ft.

When a number of refugees arrived in Millom after the Hungarian revolution of October 1956, they were given employment at the tannery, but all of them are said to have left since and settled elsewhere, mainly overseas.

West Coast Chrome Tanners Ltd

Diversification came rather late. The production of patent leather was started in the early 1970's. This product had previously been almost wholly imported from Germany.

Just before we made our enquiries, the firm was acquired by its present owners. Andrew Vigodny left the company, the former Hungarian key personnel has retired on reaching the age of 65.

The firm is said to employ about the same number of men and women.

Spin-Off: None known

Case History Reference: 54. A/ I/a/M

Firm: WEST CUMBERLAND SILK MILLS LTD.
(now Sekers International Ltd,
a public holding company)

Address: Hensingham
Whitehaven, Cumbria

Founder(s): Nicholas Sekers (Szekeres), Thomas de Gara,
Michael J. Friedlaender

Founder(s)' Capital: £ 10,000

Year of Foundation: 1938

Product(s): Woven fabrics in silk, rayon and man-made fibres,
dress, furnishing and upholstery materials

Employment on the 1.11.1974: 280 (in North)

Volume of Sales in 1974: £ 3 million

Exports in 1974: 10%

Last - known Ownership: Public company

Source of Information: Mrs. Christine Baudrand, daughter of N. Seker,
one of the founders, D. Biggam, ass. co. secretary
M.J. Friedlaender

Were similar Products made or
sold in country of origin? Yes

Reason for Establishment in a
Special Area of the North:

Pre-War Foundation: Prior settlement in Cumbria of a friend

Post - 1940 Foundation:

For Pre-War Foundations only

Contact with Special Area
Development Organisation: Promotion by Cumberland Development Council
in Hungary

Assistance from Special Area
Financial Sources: Nuffield Trust

Documents Available: No

West Cumberland Silk Mills Ltd

Nicholas Seker was born in Hungary in 1910. His family was associated with Goldberger, a well-known manufacturer of silk fabric (trade name ADRIA).

Thomas de Gara, also believed to have been born in Hungary, was a friend of N. Sekers. Michael Friedlander was a director of the leading Yugoslav silk mill.

Nicholas Sekers wanted to establish a manufacturing business of his own, but was unable to do so in Hungary because of the numerous clauses operating against Jewish manufacturers. One of his friends, Andrew Vigodny, who had settled in West Cumberland in 1937 (see case history no.53, West Coast Chrome Tanners Ltd), suggested that he, too, might set up a factory in Cumberland.

Nicholas Sekers and T. de Gara visited Britain in May 1938 and started negotiations with the Cumberland Development Council, the West Cumberland Industrial Development Company and the Nuffield Trust. The Adria agent in Britain had prepared the ground well and the negotiations were successful within a short time. Objections by British silk weaving interests to the effect that there was sufficient capacity already were overcome by reference to the special quality of the proposed products, which were to be made on Swiss Jaquard looms.

N. Sekers and T. de Gara arrived in Britain for a permanent stay in July 1938. They rented temporary premises at Whitehaven, where they installed some looms and began to train local labour. A Government-financed factory was being built at Hensingham, Whitehaven, and was completed in November 1938. The official opening took place on 29 December 1938. The factory was extended by 35,000 sq.ft. while the firm still rented it, and since it bought the factory, further extensions have increased the space to 105,000 sq.ft.

The first product was a high-quality silk fabric, but when War broke out some 8 months later, the firm switched to the production of parachute silk and this line seems to have been carried on right through the War.

The end of the War saw many new developments: The use of nylon for apparel was pioneered. A method was developed which enabled the material to 'breathe', so removing one of the objections against it. Other experiments with mixtures of wool and man-made fibres yielded new fabrics which were extensively used by French Haute Couture houses. The design and manufacture of furnishing fabrics was started in the early 1960's. The colour range and the brilliant designs caused a stir in the trade, which was unused to such interesting materials for furnishings and upholstery. These materials won the firm the Duke of Edinburgh Prize for Elegant Design in 1962, the first of many awards it was to receive later, including the Royal Warrant.

The firm's strength is seen to lie in its flair and technology, as well as in its relatively small size, which enables it to respond to a variety

West Cumberland Silk Mills Ltd

of specialised requirements. Designs were commissioned from well-known British artists, including John Piper, Cecil Beaton and Oliver Messel, and translated into dress fabrics.

The firm's products enjoy a high reputation and are found in many prestige applications: Cushion materials for Royal occasions, furnishing and upholstery materials for Embassies, furnishing fabrics for the private aeroplane of the President of France are typical. High-class stores like Harrods and Libertys stock the firm's products. Major Hotel groups, air lines and motor manufacturers use Sekers fabrics, often made to stringent specifications.

The firm supplies a range of hand made, made-to-measure curtains through a subsidiary, London Drapes International Ltd. It also handles dress fabrics made by other manufacturers through another subsidiary, D. Landau Ltd, also in London.

From an early stage, the firm maintained offices and showrooms in Bruton Street, London. In 1965, these were moved to a modern building in Sloan Street. Apart from displaying the firm's products, exhibitions are mounted of pictures and other works of art, as well as of consumer durables.

The firm became a Public Company in the early 1950's.

Nicholas Sekers was a renowned patron of the Arts. He founded the Theatre at Rosehill, near Whitehaven, in the grounds of his home. This theatre, which now bears his name, has not only become the focus of artistic life in Cumberland but has won a reputation far outside the confines of the county.

N. Sekers was knighted for his services to the Arts. Because of ill-health, he was forced to retire in the late 1960's. He returned to work for a time later but died in 1973. Several members of his family were at one time associated with the firm, but now only his daughter, Mrs. Christine Baudrand, remains a director.

T. de Gara, who was responsible for finance, yarn-buying, costing and internal administration, retired from the Board in 1975 and died in 1976. Michael Friedlaender retired, but remains a consultant to the firm.

Spin-Off: Ungar Ltd, Great Yarmouth

This silk mill was established by a former member of staff

Michael Szell, address unknown

This former member of staff was employed at the London showrooms. In 1964, he set up an interior decorating business, designing for prestige customers like palaces and embassies

Michael Claridge, address unknown

A former member of staff, he established a trial mill in the

West Cumberland Silk Mills Ltd

the Border country between England and Scotland, producing short lengths of proposed designs. He also acts as a free-lance consultant to the textile trade.

J. R. Baudrand, adress unknown

He was Managing Director and Chief Executive of the firm.

He now operates as a textile consultant, mainly for overseas manufacturers.

ALPHABETICAL INDEX, with reasons for closure, where known
of Firms no Longer in Existence in the North on 1.11.1974

North East

B	1. Adpreg Ltd	Adhesives
E	2. Appetiser Co.Ltd	Food Products
D	3. Belts and Trimmings Ltd	Leather & Plastic Goods
B	4. Chemika Ltd	Builders' Chemicals
A	5. Eskimo Slippers Ltd	Footwear
D	6. Fancy Crepe & Paper Mills Ltd	Paper Converters
A *	7. Guisborough Shirt and Underwear Co. Ltd	Shirts and Underwear
E *	8. Migol Ltd	Shoulder Pads
A	9. Norbrit Alloys Ltd	Footwear
C *	10. Pallas Chemicals Ltd	Builders' Chemicals
C *	11. Passmill Ltd	Paper Converters
B	12. Period Furniture Ltd	Cabinet Makers
B	13. J.C. Solomon Ltd	Mattresses
D *	14. Stern's Food Products Ltd	Potato Crisps
D	15. Sundox Ltd	Food Products
D	16. Team Valley Clothing Ltd	Boys' Wear
D *	17. Universal Dolls Ltd	Toys
D *	18. Willard Paper Mills Ltd	Paper Converters

West Cumberland

E	19. Cumberland Knitwear Ltd	Knitwear
B	20. Cumbrel Ltd	Umbrellas, Sun shades
E *	21. Derma Ltd	Foorwear
E *	22. Roko Ltd	Shirt Makers

* signifies post-1940 foundation

Key

- A Failure in the ordinary course of business
- B Closure because of Internment or War conditions
- C Firm transferred to another part of the country
- D Closure or removal from North after acquisition
- E Closure for a variety of reasons, incl. owners retirement, conversion of firm to trader etc. In one or two cases under this category, we do not know the reason for closure.

FIRMS NO LONGER IN EXISTENCE IN THE NORTH ON 1 NOVEMBER 1974

North East

1. ADPREG LTD, liquidated as a result of internment, it is believed

Theodore May was associated with Sichel Klebstoff, a manufacturer of adhesives in Frankfurt am Main, Germany. He was assisted to come to Tyne-side by Stanley Holmes of the Tyneside Industrial Development Board, who seems to have taken a particularly personal interest in T. May and his family. The fact that premises were taken in North Shields, S. Holmes' home town, does not seem unconnected with this.

So far as we know, T. May and his son Werner, who was a chemist, started to produce rubber latex adhesives in 1939 on a very small scale. The material was supplied in small jars to Woolworth for bicycle repair kits. In May 1940, T. May and his son were interned and when they returned, they were unable to restart the business. T. May then acted as a sales representative until his death in August 1945. W. May joined the business of his father-in-law (see no.5 of firms no longer in existence, Eskimo Slippers Ltd).

2. APPETISER COMPANY LTD, became wholesaler

The firm was founded in 1939 by Fritz S. Nussbaum and was associated with the firm of his brother, J. Nussbaum. The brothers came from Frankfurt am Main, Germany. They occupied a 3,000 sq.ft. factory at Team Valley, Gateshead.

The firm produced continental mustard, kosher packed foods and delicatessen. On the death of J. Nussbaum and the retirement of F.S. Nussbaum, the firm is believed to have been sold. While still in existence, it is no longer a manufacturer. Employment was small.

3. BELTS AND TRIMMINGS LTD, sold and removed by new owner

The firm was founded in 1938 by Jules Wachsberger, a Czech citizen who lived in Berlin, where he manufactured cap shields for uniforms, belts and trimmings for the millinery and leather trades. The same products were made at Team Valley Gateshead, where the firm occupied a 6,000 sq.ft. factory for most of its existence. The production of leather handbags was introduced after the War. J. Wachsberger died in 1959 and the business was then carried on by his widow and son until 1969. It employed about 75 people at one time.

4. CHEMIKA LTD, believed liquidated as a result of internment

The firm was founded by a Mr. Kaim and is said to have produced chemicals for the building trade. Date of foundation is not known, but the firm appears to have had small works at Team Valley, Gateshead. Mr. Kaim was interned in

May 1940 and it is believed that he was transported overseas. His subsequent history is not known.

5. ESKIMO SLIPPERS LTD, liquidated

This was another firm brought to Tyneside by Stanley Holmes of the TIDB, who contacted the founder, a Mr. Levy, in Frankfurt am Main, Germany, where he appears to have had a slipper factory. The date of foundation is not known but is believed to have been before the War. The factory was established at South Shields and the firm became a substantial producer, employing 350 people at one time. The reasons for its failure appear to have been connected with the death of the founder.

6. FANCY & CREPE PAPER MILLS LTD, sold, plant and factory re-sold

The firm was founded in 1938 by the brothers Jacob, Monek and Solomon Spiro, whose family is said to have been in the paper converting business in Poland for at least 2 generations. They rented a 10,000 sq.ft. factory at Team Valley, Gateshead and produced toilet paper on a large scale. After the War, it was sold to a public company but continued to exist at the same address until 1957, when the works and plant were taken over by Matador Paper Mills Ltd (see case history no.24). It is believed that 100 people were employed at one time.

7. GUISBOROUGH SHIRT & UNDERWEAR COMPANY LTD, liquidate

This firm was established by Max Schmulewitz and his brother-in-law, both originating, it is believed, from Germany. The date of foundation is not known, but by 1947 the firm occupied an 8,000 sq.ft. factory at Guisborough, Cleveland. In the same year, the Board of Trade built a 37,000 sq.ft. factory on adjoining land, which was occupied by the firm in 1949.

The firm at one time employed 500 people, many of whom travelling from places in the vicinity. The firm was put into the hands of the receiver in 1955. An attempt to restart it with similar products at Stockton was discontinued, it is believed, when M. Schmulewitz suffered a heart attack.

8. MIGOL LTD, Closed down

The firm of Michaelis and Goldstein Ltd was founded in London in 1938. One of the founders, Mr. Goldstein, born in 1892, probably in Hungary, was a furrier in Berlin. The firm was dissolved when Migol Ltd was established at Eldon Lane, Bishop Auckland, County Durham in 1940. It produced shoulder pads, largely for Woolworth, and employed about 12 people. When a change in fashion reduced the demand for the firm's products, it closed down in 1959.

9. NORBRIT ALLOYS LTD, liquidated

The firm was founded in 1939 by Herman Knoblauch and E. Schwarzwald, who came from Munich, Germany. H. Knoblauch had been in the shoe business and E. Schwarzwald in the metal business in that city.

They set up a small factory at Team Valley, Gateshead, with the intention to produce solders, anti-friction and type metals, but they were not successful in those lines. They then switched to the production of shoe accessories and this appears to have prospered during the War. After the War, the firm started the production of shoes. Larger premises were rented at Boyd Street, Newcastle upon Tyne, and 200 people were employed there at one time. Shortly after the business was taken over by other interests-- and the founders had left -, it went into liquidation.

10. PALLAS CHEMICALS LTD, business transferred to the South, liquidated

This firm was founded by a Mr. Lasky, who was the brother-in-law of L. Frensdorf (see case history no. 5, Builders' Chemicals Ltd). He worked for the family firm as a salesman, but later set up his own business in the same line in the early 1950's, it is believed. The firm had offices in the Lovaine district of Newcastle upon Tyne (now demolished) and a factory at Forth Street, Newcastle upon Tyne. In the mid-1960's the business was moved to Pool, Dorset. After the death of Mr. Lasky, the business was carried on for some time by his widow and son. Later, the trade name, and possibly the undertaking, were sold and the company liquidated, it is believed.

11. PASSMILL LTD, business moved to Bolton, Lancs, and sold

Monek Lichtenstein, born in Warsaw, Poland, was a technician in the Polish Airforce in Britain during the War. After demobilisation, he came to Newcastle upon Tyne because he knew Adam Spiro (see no.19 of firms no longer in existence). For a short time, he worked at Matador Paper Mills Ltd (see case history no.24) in its early phase, but he soon set up his own paper converting business at Brunel Street, Newcastle upon Tyne. Later, he brought his brother Bolek into the business, which appears to have grown satisfactorily.

In the early 1950's, the business was transferred to the Byker district of Newcastle upon Tyne, where larger premises permitted the development of a wider range of products. When Newcastle Corporation refused permission for an expansion scheme, an offer from Bolton, Lancs, Corporation of a former textile mill was accepted and the business transferred. At that time, about 120 people were employed.

In Bolton, the business grew in range and volume. An old-established London firm of paper converters was acquired and moved to Bolton. The combined business was renamed Mansell Ltd and sold to a public company in the early

1960's. The business is believed to be still in existence in Bolton.

12. PERIOD FURNITURE LTD, liquidated as a result of internment

The firm was founded by F. Jungweber, who is believed to have been a political refugee from Germany. The firm occupied a factory at Team Valley, Gateshead, and produced fine furniture and cabinet work. F. Jungweber was interned and is believed to have been transported overseas. Although the business had been going for only a year or so, it employed 18 people.

The firm was liquidated in 1941 and F. Jungweber returned to Germany from overseas after the War.

13. J.C. SOLOMON LTD, liquidated because of material shortages

The firm was founded by a Mr. J.C. Solomon, who came from Germany. It produced mattresses, but before it was able to get into full production, it was forced to close down because of material shortages, in April 1940. The firm occupied a small factory at Team Valley, Gateshead, and employed 10 people.

14. STERN'S FOOD PRODUCTS LTD, closed down after sale by owner

Alfred Stern was born at Ludwigshafen, Germany, in the middle of the 1890's. In 1938, he fled to France and, after the outbreak of the War, served in the French Pioneer Corps. After the collapse of France, he escaped to Britain on a warship and joined the British Army. His family were able to make their way to Portugal but it was not until 1942 that they were re-united in Britain.

After demobilisation, he came to Gateshead for personal reasons. He started his own business there in 1947 in an old Mission hall in Lumsden Street.

The firm produced mainly potato crisps and employed about 20 people. On his retirement in 1961, A. Stern sold the firm. Because of a compulsory purchase order on the premises and the death of the new owner, the firm closed down soon afterwards.

15. SUNDOX LTD, absorbed by larger firm

The firm was founded in the summer of 1939 by Mr. & Mrs. X from Frankfurt am Main, who asked that their name be not mentioned in this study.

The firm made and sold meat extracts, some of it in cube form, and, although it employed only a few people, it prospered during the War. Shortly after its end, the firm was acquired by Tynebrand Products Ltd, North Shields, but the Sundox product lines appear to have been discontinued soon afterwards. The firm occupied a 1,500 sq.ft. factory at Team Valley, Gateshead.

16. TEAM VALLEY CLOTHING COMPANY LTD, absorbed by larger firm and then re-sold

The origins of this firm are indicated in case history no.10, (Distinctive Clothing Company Ltd). It was established in 1938 at Team Valley, Gateshead, by Albert Maier, but moved to Tower House, Newcastle upon Tyne, soon after the War. The firm appears to have been very successful and it employed more than 100 people.

During the War, the firm produced uniforms, but its post-War line was in boys' wear.

On the retirement of the founder in the early 1960's, the business was sold to Steinberg & Son Ltd (Northern Division, see also case history no.40, West Auckland Clothing Company Ltd), but resold to unknown interests some 3 years later.

Apart from Distinctive Clothing, the firm had another spin-off: The founder of L.C.(Taylorwear) Ltd, Hans Lesser (see case history no.19), learned the tailoring trade at the firm.

17. UNIVERSAL DOLLS LTD, acquired and moved away

Max Tisch, one of the founders, was born in Vienna and studied Law in that city. He came to Britain in 1937 to learn English, but when the Nazis took over Austria, he was unable to return. During the War he worked in various engineering factories.

In 1947, he met some people (a Russian and an American), who had some experience in the manufacture of dolls and set up a company with them. A factory was rented on the Newton Aycliffe Trading Estate near Darlington, County Durham.

The firm appears to have prospered and at one time it employed 300 people.

Max Tisch left the firm in 1953 and a few years later, it was sold to a London toy maker who moved it away from the North East.

18. WILLARD PAPER MILLS LTD, sold to a major customer and moved away

By an agreement between the brothers Spiro (see no.6 of firms no longer in existences, Fancy & Crepe Paper Mills Ltd), none of their sons would be entering that business. Adam Spiro, the son of Jacob, therefore, set up his own paper converting business in about 1944, when he was 23 years old.

He started in premises in 12A Back New Bridge Street, Newcastle upon Tyne, and succeeded in getting an allocation of paper to produce toilet rolls for H.M. Stationery Office. He was soon joined by a foreman from Fancy & Crepe Paper Mills, and by M.Waksman (see case history no.24, Matador Paper Mills Ltd), as also by Nonek Jacobsohn (see case history no.16, Heaton Paper Company Ltd).

Sub-contracts were carried out for Cumberland Paper Company (see case history no.43) and for a Scottish firm, Paper Shavings Ltd.

The business grew and developed a number of its own lines, including Crepe paper products.

A factory was rented in 1946 or 1947 on the Newton Aycliffe Trading Estate near Darlington, County Durham, where the business expanded further. About 80 people were employed.

Before Adam Spiro emigrated to South Africa, the firm was sold to Paper Shavings Ltd and eventually transferred to Scotland.

A. Spiro is said to have developed a business in paper in South Africa, but he later emigrated to Canada, where a building venture failed. He then returned to London to start up another paper converting business but died suddenly in his late forties.

Postscript.

There may have been one or two more refugee firms on which we did not obtain very much information. For example, a Dr. Walz, believed to have been a political refugee from Germany, is said to have started a venture which closed down when he was interned. He is believed to have been transported overseas for internment in the summer of 1940 and did not return to Tyneside. We have also heard of a cottage type industry in Gateshead, manufacturing toys in some terrace houses in Gateshead.

West Cumberland

19. CUMBERLAND KNITWEAR LTD, closed down on retirement of founder

This firm was founded by B. May who came from Berlin. In October 1939, he moved into a 6,000 sq.ft. factory on the Solway Trading Estate, Maryport. The business is said to have been moderately successful and, towards the end of its existence, to have employed 30 people. When B. May retired in 1957, the business was closed down.

20. CUMBREL LTD, closed down, possibly because of War conditions

The firm was set up by Messrs. Benesch and Traub, who came from Vienna. In October 1939, they rented a 6,000 sq.ft. factory on the Solway Trading Estate, Maryport and started to produce umbrellas and sunshades. The firm closed down again in 1941, perhaps because of lack of materials.

21. DERMA LTD, short-lived venture

We know little about this firm or its founder, A.F. Efsthathiou, who was described as a refugee by the Estates Corporation. The firm started in a 6,000 sq.ft. factory at Mainsgate Road, Millom in November 1948, but closed down again in less than one year.

22. ROKO LTD, closed down on sale of properties, it is believed

The brothers King were believed to have worked at Kangol Ltd (see case history no.49) before setting up their own firm. This is believed to have ran some retail shops in the Whitehaven area; in premises above one of these shops, the manufacture of shirts was started. We have been unable to obtain much information but we believe that about 20 people were employed in manufacture.

CHAPTER 8 : IN CONCLUSION

In so far as the Special Areas of the North were structurally incapable of generating any significant degree of diversification from within and depended on the introduction of new industries from outside - for reasons which Dennison and others have examined -, enterprises started by or in conjunction with refugees from the Nazis and from some East European countries have made a contribution. Modest initially, it became of some importance after the War.

Refugee industries assisted the diversification of industry in the North some ten years before a location of industry policy began to emerge in Britain. We note that it was the Home Office, through the pressure it exerted on refugees to set up their factories in the Special Areas, which became the first Department of State to attempt to locate industries where they were badly needed.

Because of the reluctance of British firms to move into the Special Areas before the War, it was by no means certain that the Government-financed factories being built on Trading Estates and elsewhere could be filled. In the event, the new factories acted as a stimulus to new local enterprise in the Areas, but this would not have been enough to ensure the success of the Trading Estates. Refugee manufacturers rented a significant proportion of the factories in the early days of the Estates and so contributed to their success in the short time remaining before the War. Post-War Governments greatly extended the publicly-financed factory construction programme, which became a major weapon in the struggle to restructure the Special Areas. Refugee industries helped in forging this weapon.

Refugees introduced industries entirely different from those on which the Areas had depended up to then. They helped to prove that light industries could succeed in the Areas, at a time when this was not yet generally accepted. Refugees pioneered the kind of industries, which were to make such a large contribution to the economy of the North region after the War. In the course of this, they were among the first to confirm the adaptability of local labour to new skills and to introduce the employment of women and girls on a much larger scale.

While we have not studied the secondary employment created by refugee firms, we are aware that this is considerable and growing, because the massive and continuing diversification since the War has resulted in the availability in the Special Areas of an ever-growing range of goods and services.

More than 40 years after the beginning of regional economic policies, the number of small firms in the North is still 40% below the national average. It is now widely accepted that such firms play an important role in the economy of the region. 2)

Refugee firms - all of which started as small firms, within the definition of the Bolton Report - contributed to a better balance in the size of firms, even if many of them have now outgrown the category of small firms.

Spin-off has operated in a number of cases, in accordance with the observations of Dennison. The actual spin-off from refugee firms is likely to be more significant than we have documented.

Some of the firms founded by refugees are still growing. Most of the more important ones have already been acquired by larger groups and the trend appears to be continuing. The removal of some refugee-founded firms from the Special Areas of the North must, therefore, be expected, although this has happened in only a few cases up to our key date. On the other hand, we have been told of new owners who have made or are planning to make substantial investments in former refugee firms in the North.

New foundations by those who came as refugees can now be expected only in exceptional cases.

On balance, we would expect the importance of firms founded by refugees from Europe and their contribution to the economy of the North to decline in the foreseeable future.

References : Chapter 8

1. Northern Regional Strategy Team, Strategic Plan for the Northern Region, Vol.1, London, HMSO, 1977, p.7, para. 2.20
2. op.cit.1, p.26, paras. 4.13 and 4.14

F I N I S

APPENDICES

In the course of this enquiry, we acquired some material which we considered to be worth preserving.

The Local Studies Section at Gateshead Public Library has agreed to accept a number of items. The Library collects material on the Team Valley Trading Estate,- the first Government-financed Estate in Britain - which is located in the Borough.

Because refugees have played a part in the early development of that Estate, the Library has agreed, further, to accept the papers of the Refugee Industries Committee and of the Tyneside Refugee Industries Association. These papers were originally offered to the Wiener Library, which felt unable to take them because of lack of space.

We have restricted the following appendices to a few records and tables, and to material which is unlikely to be accessible even to the more specialised student. This applies particularly to the appendices to chapter 5.

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25. Parliamentary Question by member of Refugee Industries Committee
26. Speech by the Rt. Hon. Alfred Duff Cooper to 1st conference of refugee industrialists, London, 10 June 1942
27. Cutting from Sunday Dispatch, 19 November 1944, 'Alien Meance to Jobs'
28. Reply by secretary of Refugee Industries Committee
29. Article from The Director, (first issue), November 1947, 'What has the refugee industrialist done?'
30. Letter from Department of Industry, 1 November 1977, on total employment



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7 Moor Road South
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NE3 1NN

Your reference

Our reference
ESG/75 404/1/42

Date
21 November 1975

Dear Mr Loeb1

I am replying to your letter of 21 October in which you enquire about the availability of aliens' files for the years immediately preceding the Second World War.

Class numbers have been allotted by the Public Record Office to certain aliens' papers of the period which are to be transferred to them at some time in the future. None have been transferred so far. The descriptions of these classes are as follows:-

- HO 213 - Aliens: Registered Papers
- HO 214 - Aliens: Registered Papers Supplementary
- HO 215 - Interned Persons: Registered Papers

It is intended that the papers to be transferred in HO Classes 214 and 215 shall be kept closed to public inspection for periods up to 100 years under the provisions of Section 5(1) of the Public Records Act 1958 as amended by the Public Records Act 1967. Those in Class HO 213 will probably be made available for public inspection 30 years after the date of the last action on the file.

Whilst the Department is prepared to consider granting exceptional access to papers subject to extended closure where they are required for scholarly research, we could not do so in the case of any personal files of aliens. Such files are, in any case, not normally preserved unless they deal with the person's naturalisation or relate to persons who, for one reason or another, have become known to the public at large.

In order to assist you as far as possible we have seen what we could do to trace any general papers relating to policy or procedure in dealing with applications to set up in business in this country, but we have been successful in finding only three slim files dated respectively 1930, 1932 and 1936-38. If you would like to see these files when you are next in this area perhaps you would get in touch with Mr T H East on 01-213-4221 to make an appointment.

I am sorry that I cannot be more helpful.

Yours sincerely

H G Pearson

H G PEARSON
Departmental Records Officer

NATURAL INCREASE AND MIGRATION FROM THE SPECIAL AREAS (ENGLAND AND WALES) COUNTIES
(GEOGRAPHICAL) FROM 1931 to 1935

County.	Mid-1931 to Mid-1935.			Population.			Outward Migration.		
	Births.	Deaths.	Natural Increase.	Estimated Mid-1931.	Estimated Mid-1935.	Increase or Decrease.	Mid-1931 to Mid-1935.	1921-1931.	Total * 1921-1935.
Northumberland ...	16,995	14,024	2,971	263,210	259,800	- 3,410	6,381	23,342	29,723
Derham	109,467	71,985	37,482	1,490,920	1,473,400	-17,520	55,002	163,128	218,130
Northumberland ..	50,462	37,787	12,675	757,080	766,400	+ 9,320	3,355	43,546	46,901
Amorgan ..	78,571	59,583	18,988	1,227,220	1,197,200	-30,020	49,008	154,965	203,973
Donmouth ...	28,691	19,935	8,756	435,950	421,900	-14,050	22,806	65,574	88,380
Recknock ..	3,316	2,849	467	57,270	55,400	- 1,870	2,337	7,329	9,666
Embroke ..	5,417	4,790	627	86,350	85,100	- 1,250	1,877	9,235	11,112
TOTAL ..	292,919	210,953	81,966	4,318,000	4,259,200	-58,800	140,766	467,119	607,885

* Ignoring the two months between the Census date in 1931 and Mid-1931.

Source: CSAEW, 3rd Report, Cmd 5303, London,
HMSO, 1936, Appendix 2, p.171

Source: G.H.J. Daysh et al., *A Survey of the Industrial Facilities of the North East Coast, Newcastle upon Tyne, NEDB, 1936*, pp. 98 & 99

Industry or Service.	1924.			1934.			Increase.			
	Males.	Females.	Total.	Males.	Females.	Total.	Males.	Females.	Total.	
									Numbers.	Per cent.
Fishing	970	—	970	1,300	10	1,310	330	10	340	35·1
Mining (Stone, Clay, etc.)	3,360	40	3,400	4,210	30	4,240	850	10†	840	24·7
Non-metalliferous Mining Products	1,240	60	1,300	1,540	70	1,610	300	10	310	23·8
Brick, Tile, Pipe-making	3,290	680	3,970	4,870	460	5,330	1,580	220†	1,360	34·3
Glass Trades	1,510	530	2,040	1,700	850	2,550	190	320	510	25·0
Chemicals, etc.	7,080	1,320	8,400	14,630	1,910	16,540	7,550	590	8,140	96·9
Metal Manufacture	100	30	130	470	10	480	370	20†	350	269·2
Engineering, etc.	8,940	690	9,630	11,530	890	12,420	2,590	200	2,790	29·0
Construction and Repair of Vehicles	2,100	230	2,330	3,100	300	3,400	1,000	70	1,070	45·9
Metal Trades	7,780	670	8,450	10,070	1,090	11,160	2,290	420	2,710	32·1
Textile Trades	60	60	120	130	80	210	70	20	90	75·0
Clothing Trades	2,250	4,450	6,700	2,070	5,020	7,090	180†	570	390	5·8
Food, Drink and Tobacco	4,490	4,970	9,460	5,960	6,000	11,960	1,470	1,030	2,500	26·4
Saw-milling, Furniture	5,030	630	5,660	7,210	990	8,200	2,180	360	2,540	45·4
Printing and Paper Trades	3,240	2,130	5,370	4,480	2,210	6,690	1,240	80	1,320	24·6
Building and Public Works	33,380	360	33,740	71,060	590	71,650	37,680	140	37,820	112·9
Other Manufacturing Industries	310	210	520	480	270	750	170	60	230	44·2
Transport and Communication	20,540	1,030	21,570	34,700	1,440	36,140	14,160	410	14,570	67·5
Distributive Trades	33,490	33,540	67,030	54,880	42,120	97,000	21,390	8,580	29,970	44·7
Miscellaneous Trades	22,550	13,900	36,450	41,240	19,490	60,730	18,690	5,590	24,280	64·8
Total of Expanding Industries	161,710	65,530	227,240	275,630	83,740	359,370	113,920	18,210	132,130	(5·8)
All Industries on the North-East Coast	622,970	80,120	703,090	622,010	94,960	716,970	960†	14,840	13,880	2·0

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Persons aged 16 and over in 1924 and 16-64 in 1934.

† Decrease.

New Industries for Tyneside

What the Development Conference is doing to Attract Works



HERE is no more important question for Tyneside at the present time than that of the revival of industry. For many years past, Tyneside, with its rich mineral resources, has mainly concentrated on the development of the coal trade and its allied trades, and such other staple industries as shipbuilding, heavy engineering, ship repairing, etc., with the result that other industries of a lighter nature outside of these have not been attracted to the district as they might have been.

The population of Tyneside is growing rapidly, but the means of livelihood are not increasing to any appreciable extent. Even if all the existing industries were working to their full capacity it is questionable whether they would find employment for all who need it.

A few years ago, one or two leading public men on Tyneside, who were deeply concerned about the industrial situation, felt that there should be an organisation created to concentrate on securing new industries for the district. It was observed that, since the War, a large number of new industries had been established in other parts of the country, but for some reason, not apparent, Tyneside was being neglected.

The result was the establishment of the Tyneside Industrial Development Conference.

Section 1



Mr. Richard Aughton
(General Manager, Tyne Improvement Commission, and
Hon. Secretary, Tyneside Development Conference).

Section 3

In these days of keen competition, cities and ports, like companies and firms, cannot afford to wait until business drops into their hands—they must go after it with enthusiasm and persistence.

If a manufacturer or a trader has a good article for sale, he takes care to let the world know of it, and the same principle should apply to a city, port, or district.

After obtaining the best expert advice an intensive advertising campaign was decided upon. This consisted of the issue of a series of attractive illustrated folders, printed in English, French, and German, and sent out in accordance with a specially prepared mailing list and time table to all parts of the world. These folders were aimed at specific industries, which the Conference thought might be induced to establish works on Tyneside.

In addition to the mailing campaign, large posters drawing attention to the advantages of Tyneside for the establishment of new industries were placed at many of the leading railway stations throughout the country, and also exhibited at foreign industrial fairs.

Section 2

Conference immediately had the support of all the Corporations, District Councils on Tyne, Tyne Improvement Committee, Newcastle & Gateshead Chamber of Commerce, Association of British Industries, and North Eastern Railway and several of the public companies.

At the meeting of the Conference on December 14th, 1925, William J. Noble, Bart., of the Tyne Improvement Committee, was unanimously elected Chairman and Mr. Richard Aughton, Manager of the Commission, Secretary.

An influential Investigating Committee was appointed to explore the whole situation. Mr. Shaw was elected Chairman of the Committee, and, after an inquiry into the reasons why industries had been established in other districts, the Committee

concluded that when selecting sites for their factories, industrialists did not appear to be aware of the facilities which Tyneside had to offer. Tynesiders are so familiar with the advantages of their own locality that they assume that others in different parts of the world know of them also, but this is not the case.

What are these advantages? They might be briefly summarised as follows:—

1. A central situation in the heart of a great coalfield, with abundant and adequate supplies of coal, oil, electricity, gas, iron, and chemicals.

2. A distributing centre for a population of from two to three millions of people.

3. Being connected up at all points with the London and North Eastern Railway.

4. A deep water river channel for about 18 miles inland serving the needs of districts on Tyneside for the import of raw materials and the export of manufactured goods.

5. Excellent facilities for shipping.

6. An ample supply of male and female labour—in many cases highly skilled.

7. Low Port Dues.

8. Numerous available sites for new works, with river, rail, and road facilities.

9. On the recommendation of the Committee, the Conference decided to raise the sum of £5,000, and to embark on an advertising campaign in order to broadcast the facilities and advantages of Tyneside for the establishment of new works.

Section 4

necessary particulars likely to be required by prospective new companies.

It is worthy of mention that all the administrative work in connection with the Conference has been done purely and voluntarily through the existing organisations. Other districts have established Central Bureaus, with a permanent Managing Director and Staff, and have spent large sums annually, whereas practically all the money contributed to the Tyneside advertising campaign has been spent on advertising.

As a direct result of the advertising campaign definite enquiries have been received by the Committee, interviews have taken place and sites inspected.

It was recognised at the outset that the work might have to be continued over a lengthy period before successful results accrued. What has been done is merely the first chapter in the campaign, as it is felt that Tyneside and what Tyneside has to offer must be kept prominently before the world.

It is quite possible that as a result of the advertising campaign, some

industrialists are at the present moment considering the desirability of establishing works on Tyneside. At any rate, lasting good has been accomplished by making Tyneside better known throughout the world.

As part of the advertising scheme, invitations to visit the district are being issued to certain of the High Commissioners for the Dominions, not so much with the object of attracting new industries to the district, but in order that the advantages of Tyneside may be more fully brought to the notice of the Dominions. As, although the establishment of new industries in this district is of great value, considerable benefit will undoubtedly accrue to Tyneside by making it more widely known in the Dominions and inducing them to become our customers.

The High Commissioner for the Dominion of New Zealand has already visited Newcastle-upon-Tyne, when he was entertained to dinner by the Conference, and also taken for a trip on the River by the courtesy of the Tyne Improvement Commission.

It can truly be said that the valuable work of the Industries Development Conference is complementary to the North-East Coast Exhibition of 1929, and has, in many directions, prepared the ground for this great event, which must, we feel sure, show to the world that in Science, Industry, and Commerce, Tyneside is well able to hold its own against all comers. It is confidently anticipated that the result of these co-ordinated efforts will give a great incentive to our existing staple industries, and bring about the establishment of new industries on the banks of the River Tyne.

Organisations represented on the Council of the North East Development Board—

Tyneside Industrial Development Board, supported by—

Newcastle Corporation.
Gosforth U.D.C.
Longbenton U.D.C.
Wallsend Corporation.
Tynemouth Corporation.
Whitley & Monkseaton U.D.C.
South Shields Corporation.
Jarrow Corporation.
Hebburn U.D.C.
Felling U.D.C.
Gateshead Corporation.
Ryton U.D.C.
Prudhoe U.D.C.

Morpeth U.D.C.
Seaton Valley U.D.C.
Tanfield U.D.C.
Northumberland County Council.
Durham County Council.
Haltwhistle Improvement
Association.
Members of Parliament for the
North Eastern Area.
Newcastle & Gateshead Chamber of
Commerce.
Sunderland Chamber of Commerce.
Tees-side Chamber of Commerce.
Northern Association of Chambers
of Trade.
University of Durham.
River Wear Commissioners.
Ministry of Labour, Employment
Exchanges.
Industrial Advisory Council.
North of England Shipowners
Association.
Durham and Northumberland Coal
Owners' Association.
Federation of British Industries.
North East Coast Engineering
Employers Association.
Society of Chemical Industries.
North East Coast Institute of
Engineers & Shipbuilders.
London & North Eastern Railway.
British Iron & Steel Association.
North-Eastern Electric Supply Co.

Tees District Development Board, supported by—

Middlesbrough Corporation.
Stockton Corporation.
Thornaby on Tees Corporation.
Redcar Corporation.
Eston U.D.C.
Billingham U.D.C.
Tees Conservancy Commission.

Sunderland Industrial Development Board, supported by—

Corporation of Sunderland.
Sunderland Chamber of Commerce.
Sunderland Chamber of Trade.
Sunderland Gas Company.

South West Durham Reconstruction and Development Board, supported by—

Stanhope U.D.C.
Shildon U.D.C.
Willington U.D.C.
Spennymoor U.D.C.
Crook U.D.C.
Bishop Auckland U.D.C.
Tow Law U.D.C.
Auckland R.D.C.
Weardale R.D.C.

Blyth Development Committee, supported by—

Corporation of Blyth.
Blyth Harbour Commissioners.

Source: 1st Report of the Executive Committee, North East
Development Board, 7 February 1936, Gateshead Public Library,
Local Studies Section

COMPANY TO FINANCE APPROVED NEW VENTURES

HALF INITIAL CAPITAL PROMISED BY NORTH BUSINESSMEN

GATESHEAD M.P. PRAISES TRADE "DRIVE"

NORTHERN civic chiefs have warmly welcomed the scheme, announced yesterday, to help the establishment of light industries on Tyneside.

The scheme has been launched by 13 prominent Tyneside business men who, confident that new industries can be attracted to the North, have not only taken steps to form a company to finance such industries but with a number of friends are prepared to provide half the necessary initial capital.

Yesterday a circular was issued intimating that a company was proposed to finance approved light industries in the area, enclosing a draft prospectus and inviting selected investors to indicate the extent of the support which might be expected of them.

The signatories are:—

Mr. Fred S. Fenwick (chairman of Fenwicks, Ltd.).

Mr. Gerald A. France (chairman of Scott and Turner, Ltd.).

Mr. William Holmes (managing director of Carrick's, Ltd.).

Sir Arthur W. Lambert.

Mr. W. M. McDulloch (chairman of the Robt. Sinclair Tobacco Co., Ltd.).

Colonel S. E. Monkhouse.

Mr. N. D. Newall (Tyneside Investment Trust).

Colonel Ernest Robinson (Winter, Robinson and Co.).

Mr. W. Leslie Sunciman (Moor Line, Ltd.).

Mr. R. P. Sloan (managing director of Newcastle Electric Supply Co., Ltd.).

Mr. George P. Taylor (managing director of John Howell and Son, Ltd.).

Mr. Ridley Warham (Ashington Coal Co.).

Mr. A. S. Wilkin (chairman of A. S. Wilkin, Ltd.).

£20,000 CAPITAL

The signatories and a few friends have already intimated that they will apply for shares in sufficient number to provide nearly half the initial capital (£20,000) required.

Those circularised are invited to advise Mr. T. A. B. Forster, Lloyds Bank Chambers, Newcastle, before February 12 of the extent to which they are prepared to back the undertaking.

"The Tyneside Industrial Development Conference has been in contact with a number of promising schemes," a signatory told a "North Mail" representative.

"The majority have, however, gone to other districts which could provide the financial assistance which the conference was unable to provide.

"It will be our purpose to provide necessary assistance to approved new ventures or for the development of undertakings already established and handicapped by lack of capital for expansion."

COMPANY'S SCOPE

He explained that while the company's principal interests would be concentrated in the Tyne area there would be nothing in the articles of the company to preclude their assisting financially approved undertakings anywhere in the north-east.

The initial capital, which should be subscribed readily, would be sufficient to achieve something concrete. Thereafter the company would develop in pace with the industries introduced.

The proposal was greeted with enthusiasm by leading public men in the North.

SHERIFF'S VIEW

Alderman J. W. Telford, Sheriff of Newcastle, wished the scheme every success through a "North Mail" representative last night.

"If the scheme is carefully handled," he said, "it might do a lot of good. If it succeeds in its object it will have helped to provide Tyneside with something that the district urgently needs.

"At the same time it should not be forgotten that it is very difficult for small concerns to exist these days in competition with large multiple undertakings, and the successful establishing of a small new industry is always attended with great difficulty.

"The idea is good, and I should like to see it lead to something."

Source: North Mail

Newcastle upon Tyne

Date unknown, but probably late 1932 or early 1933

"Unlike cities like Leicester and Birmingham and others in the Midlands and the South, Tyneside has confined itself to the three great basic industries, with the result that the industrial basket has fallen, so to speak, and all the eggs have been broken.

"I happen to know that Col. Monkhouse, Col. Robinson and Mr. Forster have all been working very hard on the scheme for some time."

The Lord Mayor of Newcastle (Dr. J. W. Leach) said that the whole subject would be covered at the public meeting to be held in the Town Hall on Tuesday to launch a scheme encouraging wise spending as a means to improving the unemployment situation.

WALLSEND'S HOPE

The Mayor of Wallsend (Alderman William North) said that any scheme which had as its object the encouragement of new light industries would be heartily welcomed in Wallsend.

"Wallsend," he said, "is almost entirely dependent on its heavy industries, which have for so long been passing through a very bad period.

"We are out to do all we can to encourage new light industries. Even though employment were found for only a very small proportion of our army of unemployed the effort would be well worth while, and once started there is no telling how it might develop."

The Mayor of Jarrow said: "I heartily approve of any sound plan which has for its object the establishment of new light industries on Tyneside. Fresh industries are urgently needed in the North, and Jarrow possesses the necessary sites, with an abundance of labour for the purpose.

"I can assure the proposed new company, to which I wish success, that Jarrow will give it every consideration and assistance in fostering new industries."

M.P.'s PRAISE

"All good Northerners will wish the scheme luck," declared Mr. T. Magney, M.P. for Gateshead.

"It is a practical move—and a move in the right direction. At all costs Tyneside must be provided with a greater variety of occupations."

"It is a most laudable enterprise, and the names of the men concerned bespeak confidence. They are all sound business men."

SUMMARY OF BRITISH REGIONAL POLICY LEGISLATION1928 - 1974

<u>Year</u>	<u>Measure</u>
1928	Industrial Transfer Scheme
1934	Special Areas (Improvement & Development) Act
1937	Special Areas (Amendment) Act
1945	Distribution of Industries Act
1947	Town and Country Planning Act
1950	Distribution of Industry Act
1958	Distribution of Industry (Industrial Finance) Act
1960	Local Employment Act
1963	Local Employment Act
1965	Control of Office and Industrial Development Act
1966	Industrial Development Act
1967	Regional Employment Premium introduced by Finance Act
1967	Creation of Special Development Areas
1970	Local Employment Act
1970	Investment Incentives, Cmd 4516
1972	Industry Act: Introduction of Selective Assistance and local Industrial Advisory Boards
1974	Regional Employment Premiums doubled by Finance Act

Source: Northern Regional Strategy Team: Appendix A, Technical Report No.2,
Evaluation of the Impact of Regional Policy on Manufacturing
Industry in the North Region, Newcastle upon Tyne, May 1975

Summary of Estimated Commitments, including Expenditure, to 30th September, 1938.

<i>Industry—</i>	<i>£</i>	<i>£</i>
Harbour and Quay Developments	554,000	
Clearance and Improvement of Sites	412,000	
Trading Estates and Individual Sites	4,005,000	
Development Councils	34,000	
Inducements	100,000	
Miscellaneous... ..	47,000	
		5,152,000
<i>Health—</i>		
Hospitals, Maternity & Child Welfare Centres, etc.	3,023,000	
District Nursing and Ambulance Services	67,000	
Baths	98,000	
Water Supply	175,000	
Sewerage and Sewage Disposal	2,277,000	
Street Works	400,000	
Miscellaneous... ..	72,000	
		6,112,000
<i>Housing—</i>		
North Eastern Housing Association, Limited	1,145,000	
Miscellaneous... ..	17,000	
		1,162,000
<i>Agriculture—</i>		
Small Holdings Schemes (including Co-operative Farms and Cottage Homesteads)	3,082,000	
Group Holdings Schemes	133,000	
Assisted Allotments Schemes	23,000	
Land and Field Drainage	22,000	
		3,260,000
<i>Voluntary (Local Amenities) Schemes... ..</i>		59,600
<i>Other measures of Social Improvement—</i>		
Social Settlements and Occupational Clubs	75,000	
Social work among Women and Adolescents	219,000	
Holiday Camps for School Children	388,000	
Educational Activities and Library Services	74,000	
Community Centres, Youth Centres and Youth Hostels	39,000*	
Miscellaneous... ..	110,000	
		905,000
<i>Miscellaneous—</i>		
Subsistence Production Schemes	102,000	
Other Activities	18,000	
		120,000
		<u>£16,770,000</u>

* Grants for this service are now being made by the National Fitness Council, who have accepted responsibility for certain commitments entered into by the Commissioner.

GEO. M. GILLET.

Eggington House,
25-28, Buckingham Gate,
London, S.W.1.
2nd December, 1938.

Source: CSAEW, 5th Report, Cmd 5896, London, HMSO, 1938

WORKERS INSURED AGAINST UNEMPLOYMENT. REGIONAL CHANGES IN NUMBERS INSURED, 1923-37¹

	Great Britain	London and Home Counties	Midland Counties	West Riding, Notts. and Derby	Mid-Scotland	Lancashire	Northumberland and Durham	Glamorgan and Monmouth
<i>Per cent insured in 1923 in:</i>								
7 'local' industries	24	35	16	14	25	19	16	13
16 rapidly expanding 'basic' industries	14	21	26	9	10	9	6	4
5 rapidly declining 'basic' industries ²	23	1	12	43	24	36	49	59
18 other industries ³	39	43	46	33	40	36	28	24
All industries	100	100	100	100	100	100	100	100
<i>Per cent increase (+) or decrease (-) 1923-1937:</i>								
7 'local' industries	+57	+54	+67	+69	+43	+47	+63	+59
16 rapidly expanding 'basic' industries	+66	+69	+51	+75	+46	+86	+63	+49
5 rapidly declining 'basic' industries	-25	-4	-28	-15	-31	-28	-29	-34
18 other industries ⁴	+14	+21	+17	+15	+5	+2	+18 ⁵	+26 ⁵
All industries	+22	+43	+23	+15	+10	+8	+5	-4
<i>'Hypothetical' increase, 1923-37, per cent</i>	+22	+40	+29	+9	+18	+11	+4	+1
<i>Per cent insured in 1937 in:</i>								
7 'local' industries	30	33	20	21	33	26	25	22
16 rapidly expanding 'basic' industries	19	25	30	14	13	16	9	6
5 rapidly declining 'basic' industries	14	1	7	32	15	24	33	41
18 other industries ³	37	36	42	33	39	35	32	31
All industries	100	100	100	100	100	100	100	100

(For footnotes see next page.)

(b) Analysis of twenty-three industries in which, according to the evidence of the Ministry of Labour, the rate of expansion between 1923 and 1937 in Great Britain was greater than the average for all industries.¹

	London and Home Counties	Lancashire	West Riding, Notts. and Derby	Staffs, Warwick, Worcester, Leicester and Northants	Northumberland and Durham	Mid-Scotland	Glamorgan and Monmouth
Total insured population in the 23 industries in 1923	1,342,270	456,080	329,750	497,910	139,200	255,220	83,400
Number in the 23 industries as percentage of total insured population in area in 1923	55.5	26.9	23.5	41.1	22.5	32.2	18.3
Total insured population in the 23 industries as percentage of total insured in the same industries in Great Britain:							
1923	33.3	11.3	8.2	12.3	3.5	6.3	2.1
1937	32.9	11.3	8.6	12.0	3.7	5.7	2.3
Rate of increase in the 23 industries between 1923 and 1937 as percentage of total increase in Great Britain in those industries	32.2	11.2	9.3	11.4	4.1	4.8	2.6

Note.—The twenty-three industries include the seven local industries and sixteen rapidly expanding 'basic' industries referred to in the previous table.

¹ From Report of the Barlow Commission, Cmd. 6153.

² Coal, cotton, wool, iron and steel manufacturing, and shipbuilding and repairing.

³ This group includes (a) all those separately distinguished basic industries, other than the '5 rapidly declining basic industries', which declined, or expanded at less than the national rate (+22.3 per cent), in Great Britain; (b) public works contracting; (c) a large group of industries which were included, in the Ministry of Labour evidence, under the heading 'all other industries and services', and which includes both 'basic' industries (some rapidly expanding) and also some industries, such as 'local government service', which should properly be called 'local'.

⁴ i.e. the rate at which the number of insured persons in an area would have increased if each industry had expanded (or contracted) at the same rate as in Great Britain.

⁵ The high rates of increase in the '18 other industries' in Northumberland and Durham and in Glamorgan and Monmouth may be accounted for by high rates of increase in those areas in 'public works contracting', (+377 per cent, and +223 per cent as compared with +142 per cent in Great Britain). If this industry be excluded, the expansion in the remaining seventeen is seen to have been considerably lower in the two areas than in Great Britain.

Source: Fogarty, M.P., *Prospects of the Industrial Areas of Great Britain*, London, Methuen, 1945,

FACTORIES OPENED AND CLOSED IN THE YEARS 1932 - 1934

	<u>1932</u>		<u>1933</u>		<u>1934</u>	
	<u>opened</u>	<u>closed</u>	<u>opened</u>	<u>closed</u>	<u>opened</u>	<u>closed</u>
Westmorland, Cumberland North Lancashire	9	7	7	7	8	12
Northumberland, Durham, North Riding of Yorks.,	10	5	10	2	8	11
	19	12	17	9	16	23
<u>net for year</u>	+7		+8		-7	
<u>net. for 3 years</u>	+ 8					

Source: Board of Trade, Surveys of Industrial Development, 1933 & 1935

HM Stationery Office references: 51 - 203 - 33
51 - 203 - 35

LOCATION OF FACTORIES

TRADING ESTATES

TO THE EDITOR OF THE TIMES

Sir.—Mr. P. Malcolm Stewart, the Commissioner for the Special Areas of England and Wales, discusses in his first report a number of interesting reasons which appear to hinder the establishment of factories in the special areas. I wish to add a further reason.

The greater part of post-war development has occurred in the lighter industries, and a very large number of the undertakings which have been established have been set up on the trading estates at Slough, Welwyn, Letchworth, St. Albans, Acton, Trafford Park, &c. These estates companies have placed at the disposal of the smaller manufacturers services which are very similar to those offered by the speculative builder to the "man on the street." The convenience of being able to rent or buy a ready-made factory with supplies of gas, water, electricity, &c., already arranged is one which is now widely appreciated. Obviously, the smaller manufacturer is not going to waste time buying and draining land, building a factory, negotiating for the essential services if he can obtain a factory as easily as he can secure a house. The manufacturer is enabled to commence production almost at once. What possible counter-advantage can the older areas offer against such facilities?

I have received very many inquiries from small firms, and in every case they have asked for a ready built factory of a stated floor area. Practical experience has proved that it is useless offering them the out-of-date types of buildings which exist in the older areas. They want the kind of services which exist on the trading estates and which advertisements have made known to them.

The trading estate has proved successful in many ways. It has shown how industry can be carried on in healthy, pleasing surroundings, enabling town planning to proceed on "garden city" lines, and I consider that this is the way in which light industrial development will continue. The need for these trading estates in the older areas is, in my opinion, definitely proved. To establish them would provide employment and bring into existence useful assets.

After receiving the report of a survey made by experts the Government should assist with the necessary finance or guarantee the establishment of several trading estates situated in various parts of the country, having regard to existing unemployment and to the encouragement of industrial enterprise, given favourable conditions.

Certain specified trades should not be permitted to commence business except within such industrial estates. Town-planning authorities would thus be considerably assisted in their duties.

A national planning board of industrial development should be set up, the purposes of which, *inter alia*, would be to spread development more equitably over the country by encouraging new works to be set up on these trading estates.

In every district a great deal of employment is provided in connexion with food, clothing, distribution, and transport, and the normal development of each area in these trades could be encouraged to take place on the estates.

Such a scheme as I have very briefly outlined would, in my opinion, assist very considerably the older industrial area. The social advantages of development planned in this way are obvious.

Yours faithfully,

S. A. SADLER FORSTER, Secretary.
Tees District Development Board, County
Chambers, Marton Road, Middlesbrough.

Points from Letters

VIEWS OF LONDON

I was very interested in the letters to *The Times* giving the best views of London. Among the points of vantage the Northern Heights, I think, merit a place. It was from Stamford Hill, "the gentle fine eminence," that James I. saw his new capital. As he gazed on the vast city he exclaimed, "At last the richest jewel in a monarch's crown is mine." But by far the most extensive view is to be had from Highgate Hill and Hampstead. On a clear day the Surrey Hills may be seen. From certain points it is possible, with the aid of a glass, to read the clock on Greenwich Church, and to see Windsor Castle. The face of Big Ben can easily be seen.—Mr. J. CLANCY, 39, Gresley Road, N.19.

THE ROMAN VILLA AT WOODCHESTER

Reference by the Curator of the Stroud Museum to the forthcoming opening, for three weeks only, of the pavement at Woodchester prompts the wish that this could be permanently on view. Any difficulties in connexion with the site should not be insurmountable; and once the remains of the villa had been put in a state of repair and, where necessary, protected from the weather, the cost of upkeep would be met by the admission fees of visitors, as it is on similar sites elsewhere. An appeal by our leading archaeologists would, I feel sure, result in Woodchester taking its proper place among the monuments of Roman culture in Britain.—Mr. H. LANG JONES, 67, Allyn Park, Dulwich, S.E.21.

CAPITAL AND THE SPECIAL AREAS

The first report of the Commissioner for the Special Areas (England and Wales) is a document which should be read by every young man who aspires to industrial leadership. There is one point which might be stressed in connexion with the difficulty of getting capital, which is referred to by the Commissioner, Mr. Stewart. The Government export credit scheme—with its underlying insurance scheme—has, I believe, proved a very sound and self-supporting method of financing exports. Why should the Government not initiate a home industrial scheme for the Special Areas on similar lines? A small undertaking, able to provide 25 per cent. of its capital requirements, would be granted a loan for the remaining 75 per cent. under the home industrial scheme at the cost of an insurance premium to meet any deficiency created by failures.—Mr. W. HALL, W. Hall and Co. (London), Ltd., Aston House, 29, Rood Lane, E.C.3.

AEROPLANES ON FIRE

I hold no brief for the Air Ministry, but I would remind Colonel Moore-Brabazon that the Air Ministry did pioneer the use of heavy oil engines when they built the airship R 101, and it was the consequently excessive weight of the engines which introduced a danger greater than the immunity from fire which it was hoped to secure. I therefore strongly deprecate the suggestion that the use of heavy oil engines on aircraft should be made compulsory. Such a regulation would, in the present stage of development of the Diesel engine, increase the danger of flying and would rob those who have continued to fly since Colonel Moore-Brabazon obtained the first aviator's certificate of the chief solace in their old age. But I entirely agree that his most desirable remedy for avoiding fire after a crash will come within our grasp when a Diesel engine sufficiently light and reliable becomes available for the propulsion of aeroplanes. Perhaps the body which is best adapted for the task of producing one is the body which is entrusted by the Tripartite Aeronautical Agreement with the encouragement of aeronautical science. Could not this body, the Royal Aeronautical Society,

WILLS

GIFTS

A little of a settled land value the estate of late Captain. K. died on February 10th 1935, leaving an estate of £25,000, making a net of £10,220.

LADY CAROLINE Kenton, near Reginald, Lord-aged 68, leaving £5,391, with net

CAPTAIN REGIN of Beverley Hills of Marlow, Buck time Liberal M.P. died on March 1st, leaving a gross value of £10,220.

LADY MARIA C Hong-kong, who widow of Sir Ca left personal estate left:—

£50,000 to the trustees of Victoria The residue of as to

One-sixth in trust cannot remember not been aware of place of abode was

Mr. HENRY L Portland Place, shire, retired CA Bankruptcy in Turners' Compa 84, left estate of net personality £110 to the Mrs. Turner of London

Miss SARAH who died on M value of £30,22 She left:—

Her personal eff Kinzdom Benchet of her household Portsmouth, £300 castle-upon-Tyne; 11 horses, Crickelet League.

The residue of The Royal Viet

LIEUTENANT-C R.N. (ret'd.), of 1 Sheringham, No 85, left £4,298 g He left:—

£1,000 for the Roman Catholic £250 to the Ave Faint (English) of Our Lady of

The residue of The benefit of 1 Joseph, Sheringham

Mrs. ALICE H. on May 20 in Lo 1934, R.C.S., I sonality £14,297.

£1,000 each to the 1000 of Help for 100 Women, and 1000

Mr. CYRIL ALI Sheringham, S.W., left estate of the net personality £1 interest:—

£100 to Blackheath Athletic Club, New The REV. WILL of Sheringham

CHRISTIANITY TO-DAY

TO THE EDITOR OF THE TIMES

THE WORKLESS AREAS

Members of the Government—CAPTAIN RUAN WALLACE, for example, than whom no one has better right to speak on the subject—clearly realize that last week's debate on the distressed areas was not an unqualified success, and that their supporters (as he said on Saturday) "are determined that a remedy for this tragic state of affairs should be sought in every direction." Certainly the time has now come for more action and less inquiry. A year ago Ministers had the reports of the four preliminary investigations to turn over in their minds, and the outcome, rather late in the year, was the appointment of Commissioners to deal with a problem which was then euphemistically called "Special." The Commissioners in turn have made their reports, and the almost unchanging facts of these areas are again presented to the Government in a rather different manner but with the same insistence on the great—the really desperate—needs of workless and hopeless communities. Of the first importance is the fact that fundamental remedies have not yet been applied—except of course the initial remedy of keeping the rest of the country strong and confident. That is not the fault of the Commissioners. It ought not indeed to have been an unforeseen cause of disappointment to anyone who understood the task remitted to the Commissioners. They were not endowed with powers to do more than ameliorative and reconditioning work, giving assistance here and there to minor public undertakings by local authorities or public utility societies, supporting schemes of land cultivation and settlement, and showing generous sympathy with schemes for the improvement of health. The total of these ameliorative and restorative measures is very considerable and the benefit to many individuals is great. They attest the worth of the Commissioners' hard and persistent work, but they are not in themselves fundamental remedies. They are palliatives. Nor have the Commissioners that standing with the Government to enable them to mobilize the powers distributed among the many Government Departments and to canalize them with invigorating force upon the areas of distress. The business of reviving the distressed areas, as distinguished from

cultivation and settlement, and showing generous sympathy with schemes for the improvement of health. The total of these ameliorative and restorative measures is very considerable and the benefit to many individuals is great. They attest the worth of the Commissioners' hard and persistent work, but they are not in themselves fundamental remedies. They are palliatives. Nor have the Commissioners that standing with the Government to enable them to mobilize the powers distributed among the many Government Departments and to canalize them with invigorating force upon the areas of distress. The business of reviving the distressed areas, as distinguished from the work of succouring the distressed, cannot be accomplished by Commissioners holding temporary office and very limited jurisdiction.

That was apparent at the first to all acquainted with the true condition of the distressed areas. Long before the appointment of the Commissioners and also before the Government investigators began their work, when a Special Correspondent of *The Times* made his report in the spring of last year, it was said in these columns that

there should be a Director of Operations against the derelict areas. The holder of the office should be untrammelled by departmental limitations and—if not himself a Minister—should be responsible directly to the Cabinet. He would be the channel and instrument of a concerted national effort to rid the land of these terrible pools of idleness in which manhood is slowly and fatally sinking.

continued

That remains true. MR. P. M. STEWART, the Commissioner for the Special Areas of England and Wales, has found it true after his first six months' experience. He has become "more and more convinced that the major problems of the Special Areas cannot be isolated and left to one small Department; they must be tackled by the Government as a whole and there is hardly a Government Department which cannot and should not help." Larger powers, more driving and directing force, than he can exercise must be brought to this great and still delayed undertaking. The Commissioner has been set in the position of an honorary Civil servant, and because he has discovered insufficiency in the scope of the Special Areas Act, and has made suggestions for measures of another kind, some national and not local—the most controversial of which, as was pointed out at the time, are not the direct outcome of his specialized experience, though they are the fruit of his study of the problems of the areas—he is now being held liable to fresh cross-examination. "The Government are entitled," the MINISTER of LABOUR said, "to ask the Commissioner for the data upon which he himself has made his proposals if these proposals are wider than the Special Area basis." That really bears the appearance of a side-tracking of responsibilities. The Commissioner has made suggestions for the Government's examination. What measures he can take are inadequate, and he has drawn attention to others that are beyond his powers. After all his Department is the youngest and smallest of them all, and is ringed round by great established Departments upon whose entrenched territories he cannot easily set his foot. The trouble is not that these Departments are hostile or selfish or indifferent, but that the full strength of their resources has never yet been concentrated upon the problem, as it can be concentrated only by the Cabinet. They have their own responsibilities, which are not easily shared with independent Councils or Boards. A small committee of the existing Ministers concerned with a chairman (or Director of Operations), himself also a member of the Cabinet, devoted definitely to the recovery of the workless areas, is the only possible body to direct them. It is upon the Government that the responsibility rests, and, when they reject the plans proposed by others, they are under the greater obligation to pursue their own with all the powers that they possess.

In part the depression of the Special Areas must have local treatment, such as the Commissioners can apply, and in part it calls for treatment of wider application. MR. STEWART has added to the number of suggestions that have been before the country for some time past. But CARLOS WALLACE is again disappointed

him in mentioning a number of them. There has indeed been no dearth of great and small proposals, and some that appear quite promising do not require momentous decisions. Take, for example, the suggestion of Mr. HOASING, the secretary of the Tynes District Development Board, with reference to the establishment of trading estates of the type that have been so successful at Trafford Park, Slough, and Welwyn, to mention some of the best known. There is a quite modern demand for "ready-made factories with supplies of gas, water, electricity, &c., already arranged." The distressed areas are too poor to supply the demand; they dare not contemplate the original outlay. Such estates are assets, not liabilities. Is it to remain true of the distressed areas that the destruction of the poor is their poverty? And Mr. FORSTER's second proposal, although it runs counter to what has been an accepted principle, deserves careful consideration. It is that certain specified trades should not be permitted to begin business except within such industrial estates. The time may have come to consider the applicability of a new principle—that of whether industries on which the community has conferred a privilege are not under an obligation to establish themselves in areas where they will be socially most beneficial. A hint of another kind comes from Cumberland. The Cooperative Movement has warmly congratulated the people of the depressed coastland on their exemplary loyalty to cooperation, and has been embarrassed by the invitation to reciprocate by establishing a branch of its productive industries there. It may be that there is a free commercial asset of goodwill awaiting the firms that first establish in the distressed areas the manufacture of some common necessities.

Meanwhile another problem awaits the consideration of the Government. The distressed areas took the country by surprise. Nothing of the kind had been known in living experience. But now there is a fear in South Wales of the creation of another distressed area through the migration of the tinplate industry to a distant part of the country where new ore beds are being developed. The transference of the industry, or parts of the industry, may be dictated by economic necessity; but, if that is so, then also the necessities of the people of another part of South Wales and the social welfare of the great town of Swansea must become somebody's care. A Government policy for the location of industry, and for the retrieving of the derelict areas, becomes more and more pressing.

3 pages

Public Record Office Reference:

BT/104/30/DA/2060/2

25th November, 1935.

Dear Lord Ridley,

I have been considering the letter which you sent me on the 31st October about future plans for your Board in connection with my work. I have not replied before because I wanted to wait until I knew something more definite from the Government about the trading estate and also until I had had an opportunity of discussing the whole matter with Mr. Lorne.

Although many details have yet to be settled, I have now been authorised to proceed with the establishment of a trading estate and it is my intention that the first estate should be in or near Tyneside. I have always had in mind the possibility of converting the site which, as you know, I am getting the Gateshead Corporation to clear for me in the eastern part of their town, into a trading estate. I have visited the site personally and it seems to me quite

/suitable.

The Right Hon. The Viscount Ridley.

. 2 .

suitable. However, I do not want to commit a company as yet unborn to a site of which they may not approve. The immediate step therefore seems to be to establish a trading company. I have not yet settled the exact composition of this company with the Government but I anticipate that it will be something similar to the Housing Society with a Committee of Management of perhaps seven members. The Government may want to nominate one or two of these, but I think it is clear that the majority must be industrialists in your own area.

In the circumstances I think the suggestions made in your letter are admirable and I should be glad if you could see your way to appoint a Special Areas Sub-Committee of your Board. This committee would, I imagine, deal in the first place with all matters specially concerning my work, and I hope, as you suggest, that you will be able to put on to it some of the best members of your Executive Committee. It would be appropriate then that this Committee should nominate representatives for appointment to the Board of Management of the Trading Company. This would secure the necessary co-operation between the Trading
/Company

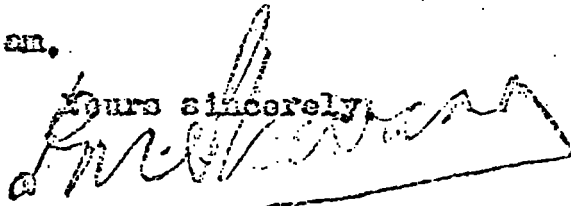
. 3 .

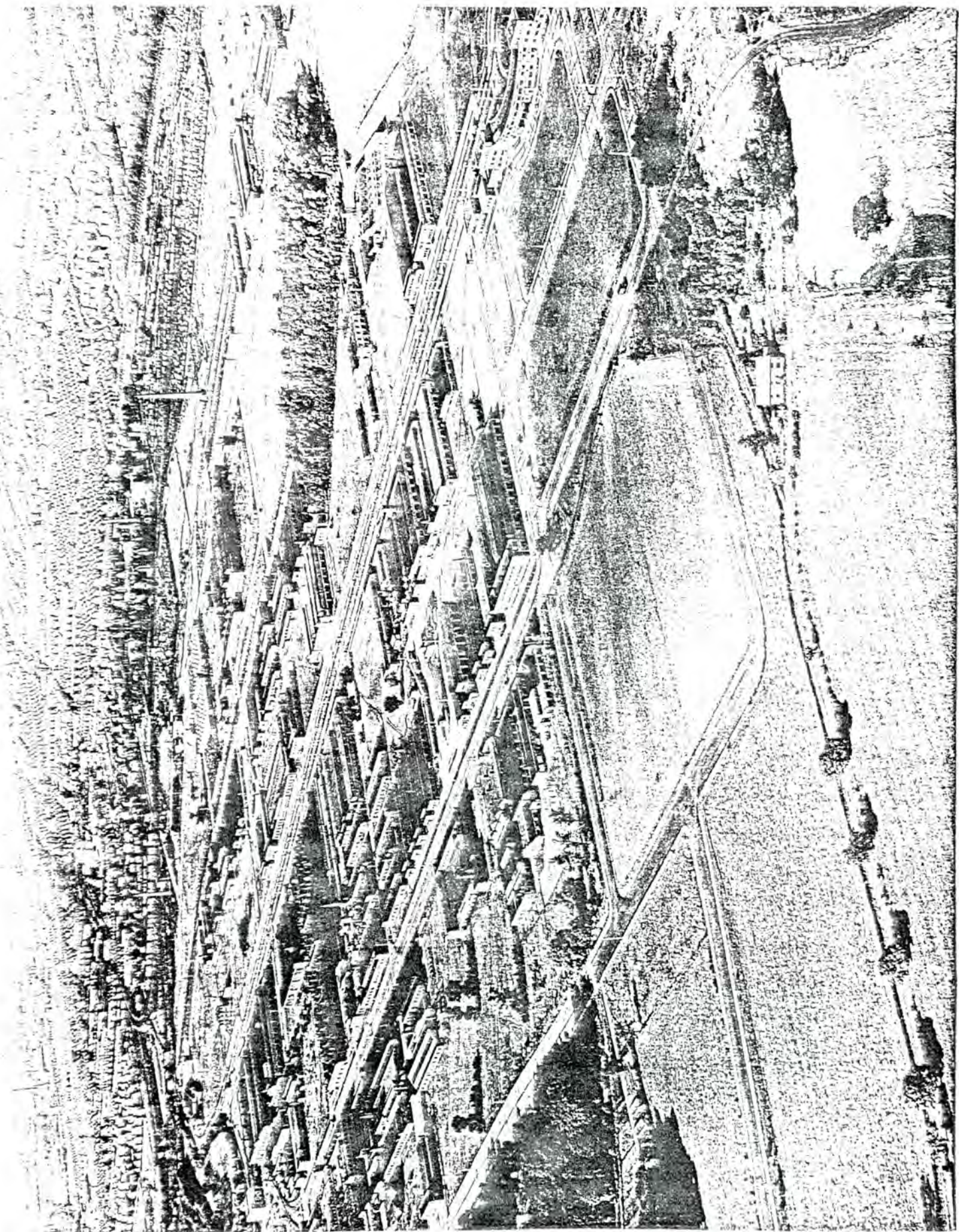
Company and your Board without constituting too definite and direct a connection between the two.

I understand that Mr. Forbes Adam is going to have a talk with you on these lines and I am looking forward to the opportunity of seeing you and discussing the matter further on Wednesday.

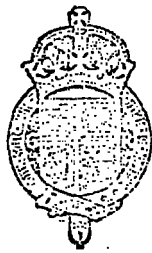
I am,

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Forbes Adam', written over a horizontal line.



3 pages



HOME OFFICE,
WHITEHALL.

*Any communication on the
subject of this letter should be
addressed to—*

THE UNDER SECRETARY OF STATE,
ALIENS DEPARTMENT,
HOME OFFICE,
LONDON, S.W.1.

and the following number quoted:—

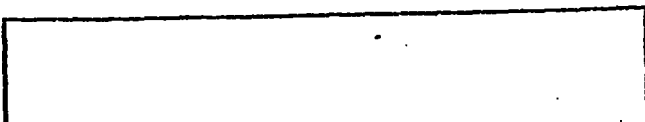
Sir,

I am directed by the Secretary of State to say that before consideration can be given to your request to be allowed to establish yourself in this country for the purpose of opening a factory for the manufacture of

it will be necessary for you to complete the enclosed form of questionnaire (in quadruplicate).

At the same time I am directed by the Secretary of State to call your attention to the resolution of the House of Commons of the 12th March, 1936, that His Majesty's Government should endeavour to discourage the undue concentration of modern industries in the southern counties and to encourage new industries where practicable to establish themselves in the older industrial centres, and to say that the question of the locality in which it is proposed to establish the enterprise will be considered, among other matters, in consultation with the Ministry of Labour and Board of Trade on receipt of the completed forms.

Although every step will be taken to come to an early decision it will be appreciated that some time must necessarily elapse before the necessary enquiries can be completed in respect of the present application and you would be well advised not to enter into any definite commitments with regard to the matter in the meantime.



Questionnaire for foreign persons desirous of setting up
manufacture in this country.

Question

Answer

Name
Address Abroad
Age
Nationality
If married state
 Name of wife
 Age
 Number of Children
 Sex and Age of each
 Any other Dependents
Indicate those whom it is desired
to bring to the United Kingdom.
Describe fully the product which it
is proposed to manufacture,
indicating any special features
which may distinguish it from
similar products already made in the
United Kingdom.
What is the price range of the product
and what output and turnover are
expected?
What raw or semi-manufactured
materials, machinery and other equip-
ment are required and from what sources
will they be obtained?
Who are the prospective purchasers in
the United Kingdom of your products?
Is an export trade contemplated; if
so, to what extent and to what markets?
Is it proposed to import any foreign
products for sale or re-export; if so
to what extent and for how long?
What is your past experience in the
trade? If the proposed undertaking
consists in the transfer to this
country of a business formerly carried
on abroad, state:

(a)

If desired a separate memorandum (one copy only required) can be submitted
to cover the answers to these questions.

Any communication on the
subject of this letter should be
addressed to:—

THE UNDER SECRETARY OF STATE,
HOME OFFICE
(ALIENS DEPARTMENT),
STANLEY HOUSE,
MARSHAM STREET
LONDON, S.W.1.



HOME OFFICE, Appendix 16
STANLEY HOUSE,
MARSHAM STREET,
LONDON, S.W.1.

and the following number quoted:—

M.15496.

11th January, 1939.

Sir,

With reference to your letter of the 16th November 1938, I am directed by the Secretary of State to say that he has decided to raise no objection to Messrs. Josef Mayer and Arnold Gerstle proceeding to this country for a period of twelve months; in the first instance, for the purpose of setting up a factory for the manufacture of manicure sets and other toilet articles, on the understanding that the factory will be situated on the North Eastern Trading Estate. The matter will then be reviewed in the light of the success of the enterprise.

Mr. Mayer and Mr. Gerstle should apply for visas for ~~themselves and their families~~ to the British Consul-General at Frankfurt-on-the-Main, to whom a communication is being sent.

I am,

Sir,

Your obedient servant,

M. Mayer, Esq.,
22, Lordship Park,
H.16.

BRITISH EMBASSY,

17, TIERGARTEN STRASSE,

BERLIN W.35.

23rd March 1938.

Dear Mr. Holmes,

I do not suppose that you know my name, although I have known yours for years, and have watched your career since you became connected with North Shields. I am a native of North Shields. I was a friend of Stanley Pattison who was Liberal Agent in South Shields when he died a few years ago. I have been for some years in the Commercial Department of the British Embassy, Berlin.

Your predecessor, Mr. Coote, visited Germany in 1932 and made our acquaintance at the Embassy, and later, when I was on leave, I called and saw him at his office in Newcastle.

We often get enquiries in the Embassy from Germans, mostly Jews, who wish to explore the possibilities of manufacturing in England. We have literature about the distressed areas' efforts to attract new industries, but most of the enquiries are very vague and the enquirers are themselves not practical men.

I suppose you have nothing to do with the Teamside Estate. I have given your address on one or two occasions to enquirers, but most of the applicants prefer the south of England. One or two have fixed up in the Cardiff district, and one got fixed up (paper serviettes) near Manchester.

Excuse my having bothered you with this letter but I thought you would be interested in the fact that what happens on the Tyne, good or bad, gets wide publication.

Should you have a chance of coming to Germany do not fail to let me know if you come anywhere near Berlin. I am coming to England on leave during the month of July, but I am not certain whether I can manage a trip up North this time.

*With best wishes for your success
in developing Tyneside*

I am, Yours sincerely

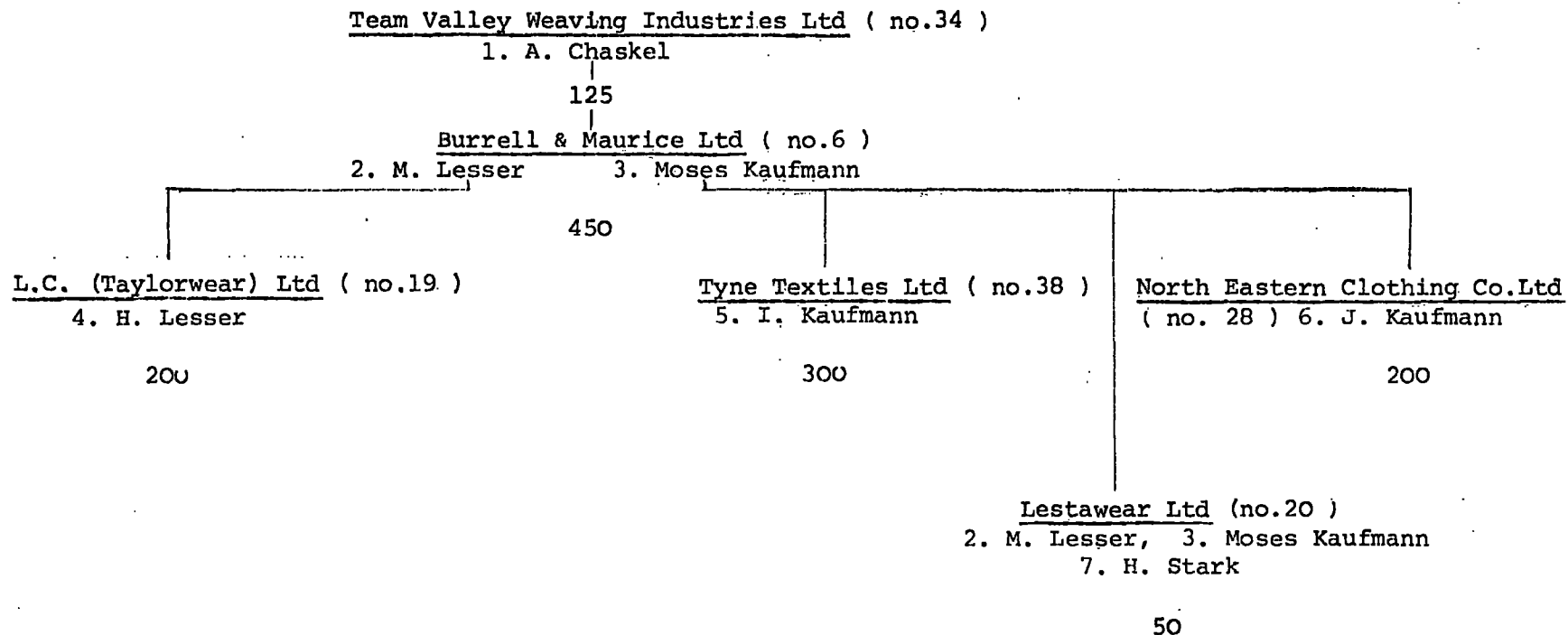
Thos. H. Frame

Thos. H. Frame

Example of Relationships among a group of Refugee Industrialists on Tyneside

() signify case history references

Employment figures are shown under founder(s) names



Employment created by this group (1 November 1974): 1,325

- Founders:
1. A Chaskel was the first arrival
 2. M. Lesser was A. Chaskel's brother-in-law, and buyer in A. Chaskel's German companies
 3. Moses Kaufmann was a supplier of A. Chaskel's German companies and in contact with M. Lesser
 4. H. Lesser was the son of M. Lesser
 5. I. Kaufmann is a son of Moses Kaufmann
 6. J. Kaufmann is a son of Moses Kaufmann
 7. H. Stark is the son-in-law of Moses Kaufmann



SALE

AT

A. Griffiths

32 SAVILLE ST. W.
NORTH SHIELDS.

Friday, February 4, 1938.

PRICE ONE PENNY

R BOMBED AND SUNK

German Family Arrives to Start New Tynemouth Industry

A GERMAN family, two brothers, two children and a nephew, arrived in Tynemouth to-day and will shortly establish an important new industry in the borough. They were met at the Central Station, Newcastle, this afternoon, by Mr Stanley Holmes, secretary of the Tyneside Industrial Development Board, who, after more than twelve months has on behalf of the board, been conducting negotiations with principals of the firm.

The new company has been registered under the name of the Great Northern Knitwear Company, Ltd., with a capital of about £10,000.

The factory is to be built at Percy Main by the Commissioner for Special Areas, Sir George Gillett, under the new powers he obtained by the Special Areas Amendment Act, 1937.

It will be built under the supervision of the North-Eastern Trading Estate Ltd., who are acting as agents for the Commissioner. The factory will occupy 8,000 square feet, and it is understood that the new company will find employment for about 100 workers during the first year.

factory. The machinery, bought in this country, will be despatched to Tyneside shortly.

In an interview with The Evening News, Mr Holmes revealed that the principles of the new company were attracted to Tyneside as a direct result of the board's publicity.

"In November, 1936, a principal of the firm was on a visit to London and in an underground tube station he noticed a Tyneside coloured poster claiming that Tyneside was a natural centre of industry.

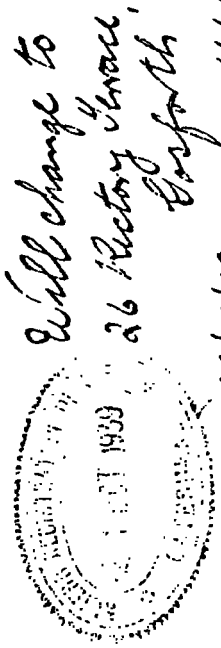
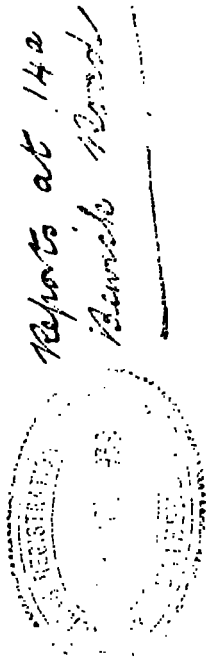
"That night, he wrote from a London hotel, asking for full particulars of the industrial facilities, and since that date, protracted negotiations have been going on always with the greatest secrecy."

Mr Holmes added that the reason for transferring their industry to Tyneside was the easy access to raw materials. Another factor, Mr Holmes stated, was the desire of the company to extend and develop their existing export trade to cover the world market.

During the establishment of the industry...

6

ENDORSEMENTS AND REMARKS.



on 22/10/39. W.B. S/14/39

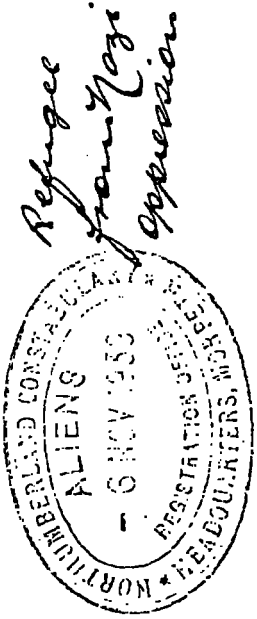
Reports received
at 26 Rectory
Lane, Gosforth
active

7

ENDORSEMENTS AND REMARKS.

The holder of this certificate is exempted until further order from internment and from the special restrictions applicable to enemy aliens under the Aliens Order, 1920, as amended.

8943 Sheafville
Northumberland District Tribunal.



ENDORSEMENTS AND REMARKS.

26, Rectory Terrace,
Gosport.

H. G. Gaddy,

31st May, 1941

AUXILIARY WAR SERVICES

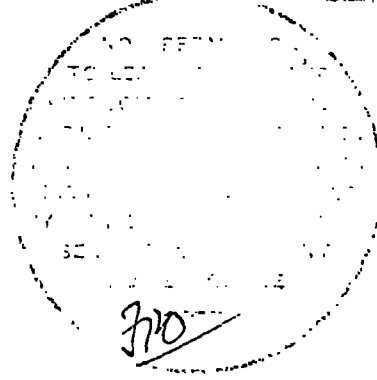
ENDORSEMENTS AND REMARKS

Permission is hereby granted on behalf of the Secretary of State under Paragraph 1 of S.R. & O. 1940, No. 1239, for employment with

*Loblite Ltd,
Gateshead-on-Tyne.*

Date 17 JUN 1941

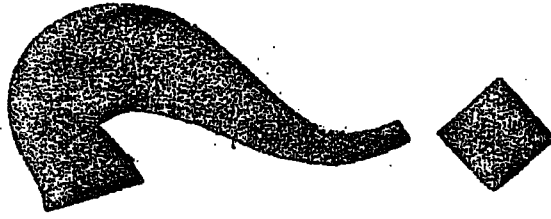
Signed *H. G. Gaddy*



Permission is also granted on behalf of the Secretary of State to enable the holder of this certificate to work in any Protected Area, but only for the purpose of doing up specific A.W.S. Employment therein. *4/10*

6 pages

Refugee Industries Committee



5, Lower Grosvenor Place
VIC 0285 London, S.W. 1

Refugee Industries Committee

Chairman :

A. S. COMYNS CARR, K.C.

Hon. Treasurer :

DAVID GOLDBLATT

Hon. Auditor :

C. FINE, A.C.A.

Organising Secretary :

ERNEST COVE.

Asst. Sec. and Accountant :

R. MUNSTER, Grad.A.C.C.A., A.A.I.A.

According to the monthly news sheet
of the Committee, this was issued in
November 1944

Members of Committee :

LORD MARLEY, D.S.C.

MAJOR S. VYVYAN ADAMS, M.P.

MRS. M. CORBETT ASHBY, Lt.D.

LT.-COL. G. W. T. COLES,

T.D., A.S.A.A., F.S.S.

W. G. COVE, M.P.

S. C. DAVIES, M.P.

SIR ANDREW MCFADYEAN.

MISS MEGAN LLOYD GEORGE. M.P.

JAMES GRIFFITHS, M.P.

T. EDMUND HARVEY, M.P.

MAJOR A. HENDERSON. K.C., M.P.

J. D. KILEY, J.P.

THOMAS MAGNAY, M.P.

W. H. MAINWARING, M.P.

ARTHUR PEARSON, M.P.

JULIAN I. PIGGOTT, C.B.E., M.C.

MISS ELEANOR RATHBONE, M.P.

WILFRID ROBERTS, M.P.

SYDNEY S. SILVERMAN, M.P.

GRAHAM WHITE, M.P.

COUN. GEORGE WILLIAMS, C.B.E.

HAVING now acted as Chairman of the Refugee Industries Committee for upwards of three years, I can express the opinion from intimate knowledge that the Committee has rendered a valuable service to the country as well as to refugee industrialists themselves. This is only another way of saying that the industrialists themselves have rendered a valuable service to the country, not sufficiently recognised by the general public, and are capable of rendering even more valuable service in the future, as their predecessors have done over many centuries.

This booklet explains some of the ways in which this Committee has been, is, and will be able to carry forward this work of mutual aid between those who have found refuge here and those who have received them. It thus shows the need for the continuance and increase of its activities.

A. S. COMYNS CARR,
Chairman.

What is the Refugee Industries Committee ?

A few months before the outbreak of war, a number of public men, mostly Members of Parliament, decided to form an organisation which would assist refugee industrialists from the Continent, in particular Czechoslovakia. The organisation was founded at a meeting held at the House of Commons in July, 1939. This was the beginning of the Refugee Industries Committee.

Among the founders were :—

THE RIGHT HON. SIR ARTHUR SALTER, K.C.B., M.P.

THE RIGHT HON. VISCOUNT CECIL OF CHELWOOD.

THE RIGHT HON. ALFRED DUFF COOPER, D.S.O., M.P.

under the Chairmanship of :—

MAJOR-GENERAL SIR NEILL MALCOLM, K.C.B., D.S.O.

To-day our organisation covers not only industrialists from Czechoslovakia, but most of the industrialists in this country who came from the Continent after 1933 to find a new and better field for their technical knowledge and skill. It covers both industries solely owned by refugees, and industrialists or highly qualified key-workers who are associated with British firms.

The Refugee Industries Committee is now recognised as the national organisation for all these industries. Refugee Industries as a whole have now an advocate with ready access to Ministers and Government Departments. They have a British representation able to conduct negotiations with other sections of the community and an experienced and expert staff whose task it is to promote their interest.

How is the Committee organised?

The present Committee consists of independent public men, mostly Members of Parliament. A large number of British friends give sympathetic support to our work.

The Committee acts through its head office in London. It remains an independent organisation and does not receive any subsidy from the Government or any other public body. The general policy of the Committee, therefore, is entirely determined by the Committee itself. This independence of action has proved to be one of our most valuable assets.

Affiliated to the Committee are Regional and Local Groups all over the United Kingdom. The Groups accept as members industrialists and industrial key or research workers of alien origin who have come to this country.

Each Group has a Chairman and Secretary who have a close knowledge of local industries. These local officers are a strong link with the Central Committee in London. The Committee's officers, however, pay regular visits to the provincial groups to maintain a close and personal contact with them.

The members of the Groups are entitled to avail themselves of all the facilities provided by the Refugee Industries Committee.

Why do you need the Refugee Industries Committee?

It is true that not a few refugee industrialists have managed their business during the War without any serious trouble.

But they should not deceive themselves. The months and years to come will be a period of transition. What to many of our friends seems a stable position to-day may be vulnerable to-morrow. The sentiments aroused by the War all over the world leave more than a passing impression in this country.

The need for our activities is likely to increase rather than diminish in the early post-war period.

Something about our Objects and Work

The Refugee Industries Committee not only acts as the representative of immigrant industries, it also protects the individual industrialist whenever, in commercial life, unfair advantage is taken of his weaker position as an alien.

There are also some special problems, a few of which may be indicated briefly :—

Permanent status of refugee industries.

The majority of our refugee industrialists are still uncertain whether they will be allowed to settle in this country permanently.

To secure the permanence of immigrant industries and their final absorption in British economic life is one of our major tasks.

Difficulties in business.

Refugee industrialists naturally are often confronted with difficulties which do not affect old established British industries, or not to the same extent.

Sales quotas, allocation of raw material and labour, export, formation of companies, are, owing to the special conditions of immigrant industries, often more complicated. Highly specialised questions arise which are not infrequently outside the scope of the ordinary professional adviser or trade association. In many of these cases we have been able to help.

Post-War Production.

The transition from war to peace involves fundamental changes in the structure of this country's production. As regards immigrant industries it will have to be decided what their place in production will be and how they can be co-ordinated with established British industries. Many refugee industrialists have already approached us and we have taken up the most important questions with the authorities.

Collaboration with Government Departments.

Our work necessitates constant contact with various Government Departments. The Departments often ask us for our view, and give us their willing co-operation.

We make it our task to direct the Government's attention to the problem of immigrant industries and obtain general rulings which prevent difficulties for the individual trader.

Publicity.

The importance of immigrant industries for the economic life of our country, especially our Development Areas, is not generally recognised.

It is therefore our task to call attention to the abilities of refugee industrialists and to make known their technical skill and knowledge and the goodwill they have brought with them.

Facilities for Refugee Industrialists

You may ask: What will the Refugee Industries Committee do for me? Well, the foregoing outline may have given you an indication. But this is not all. The Committee's expert staff is at your disposal whenever you may need it.

It is part of our day to day routine :—

To trace the trend of economic events as far as refugee industries are concerned ;

To advise refugee industrialists ;

To supply information to firms individually and to circularise it through our monthly " Information Service " ;

To give introductions to Government Departments ;

To undertake enquiries and negotiations with Government Departments on behalf of our firms ;

To bring refugee industrialists in contact with each other ;

To facilitate their post war export ;

To secure travelling facilities and contacts abroad.

The range of subjects may be gathered from this brief list :—

Aliens Restrictions.

Labour Restrictions.

Taxation and Accountancy.

Company Law and Partnerships.

International Law.

Limitation of Supplies.

Raw Material and Priorities.

Export and Import Problems.

Finance.

Factories and Machinery.

Finance

We give advice and assistance without fees or conditions.
We have never made a public appeal for finance.

Refugee industrialists pay annual subscriptions to our Local or Regional Groups, which in their turn subscribe to the Central Committee. Our activities require the maintenance and indeed extension of financial support.

3 pages

COMMITTEE FOR DEVELOPMENT
OF REFUGEE INDUSTRIES
12, BUCKINGHAM PALACE ROAD,
PHONE VIC. 0285 S.W.1.

16th May 1940.

"COMMITTEE FOR DEVELOPMENT OF REFUGEE INDUSTRIES" abbreviated to:

REFUGEE INDUSTRIES COMMITTEE

12, BUCKINGHAM PALACE ROAD, S.W.1.

Telephone: VICTORIA 0285.

Chairman: A. S. Comyns Carr, K.C.

Hon. Treasurer: Alfred Stern

Organising Secretary: Ernest G. Cove

Members of Committee:

The Right Hon. Viscount Cecil of Chelwood.
David Adams, M.P.
S. Vyvyan Adams, M.P.
Major Victor A. Cazalet, M.C., M.P.
William G. Cove, M.P.
S. O. Davies, M.P.
Miss Megan Lloyd George, M.P.

Mrs. M. Corbett Ashby, L.I.D.
H. O. Joseph.
J. D. Kiley, J.P.
Sir Andrew McFadyean
Ramsay Muir, Litt. D.
Julian I. Piggott, C.B.E., M.C.
Otto M. Schiff.

The Right Hon. Viscount Wolmer, M.
James Griffiths, M.P.
T. Edmund Harvey, M.P.
Captain Arthur Henderson, M.P.
Arthur Jenkins, M.P.
Miss Eleanor Rathbone, M.P.
Wilfrid Roberts, M.P.

4th January, 1941.

REFUGEE INDUSTRIES COMMITTEE

5, LOWER GROSVENOR PLACE, LONDON, S.W. 1

Tel: VICTORIA 0285

Chairman:
A. S. Comyns Carr, K.C.

Hon. Treasurer:
David Goldblatt.

Hon. Auditor:
C. Fine, A.C.A.

Organising Secretary:
Ernest Cove.

Asst. Sec. & Accountant:
R. Munster, Grad. A.C.C.A.,
A.A.I.A.

Members of Committee:

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S. Vyvyan Adams, M.P.
Mrs. M. Corbett Ashby, L.I.D.
Lt.-Col. G. W. T. Coles,
T.D., A.S.A.A., F.S.S.
W. G. Cove, M.P.
S. O. Davies, M.P.
Sir Andrew McFadyean.
Miss Megan Lloyd George, M.P.
James Griffiths, M.P.
T. Edmund Harvey, M.P.
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Arthur Jenkins, M.P.
J. D. Kiley, J.P.
Thomas Magnay, M.P.
W. H. Mainwaring, M.P.
Arthur Pearson, M.P.
Julian I. Piggott, C.B.E., M.C.
Miss Eleanor Rathbone, M.P.
Wilfrid Roberts, M.P.
Sydney S. Silverman, M.P.
Graham White, M.P.
Coun. George Williams, C.B.E.

5th July, 1944.

REFUGEE INDUSTRIES COMMITTEE

Chairman: A. S. COMYNS CARR, K.C.

Hon. Treasurer: DAVID GOLDBLATT

Joint Secretaries:

G. GENDALL HAWKINS

R. O. MUNSTER, A.L.A.A., A.A.I.A.

MEMBERS:

Lord Beveridge, K.C.B.
 Lord Marley, D.S.C.
 Lord Meston
 Lord Moynihan
 John J. Adams, O.B.E., J.P., C.A.
 Harry Allighan, M.P.
 Mrs. Corbett Ashby, D.Lit.
 Vernon Bartlett, M.P.
 Captain E. R. Bowen, M.P.
 Captain G. R. Chetwynd, M.P.
 Lt.-Col. G. W. T. Coles, T.D.,
 A.S.A.A., F.S.S.
 G. Cove, M.P.
 Harold Davies, M.P.
 S. O. Davies, M.P.
 Lady Megan Lloyd George, M.P.
 Lt. Hon. James Griffiths, M.P.
 Professor W. J. Gruffydd, M.P.
 J. Wilson Harris, M.P.
 Major Arthur Henderson, K.C.,
 M.P.
 Lieutenant Herbert Hughes, M.P.
 D. Kiley, J.P.
 Lewis, M.P.
 W. G. Mackay, M.P.
 Thomas Magnay
 W. H. Mainwaring, M.P.
 P. W. Mallalien, M.P.
 Hopkin Morris, K.C., M.P.
 Arthur Pearson, M.P.
 Captain T. F. Peart, M.P.
 Julian I. Piggott, C.B.E., M.C.
 O. Roberts, M.P.
 Wilfrid Roberts, M.P.
 Lt. Hon. Sir Arthur Salter,
 G.B.E., K.C.B., M.P.
 Sydney S. Silverman, B.A.,
 LL.B., M.P.
 J. Simmons, M.P.
 C. Osborne, M.P.
 Lt. Hon. Graham White
 Major L. Wilkes, M.P.
 Councillor George Williams,
 C.B.E.
 T. Willey, M.P.

1/T

Telephone: VICTORIA 0285

5 LOWER GROSVENOR PLACE, S.W.1

26th September, 1947.

REFUGEE INDUSTRIES COMMITTEE

5, LOWER GROSVENOR PLACE, LONDON, S.W.1

Tel.: VICTORIA 0285

Chairman:

A. S. Comyns Carr, K.C.

Hon. Treasurer:

David Goldblatt.

Auditor:

C. Fine, F.C.A.

General Secretary:

Guy Naylor.

Organising Secretary:

R. Munster, Grad. A.C.C.A.,
 A.A.I.A.

Members of Committee:

Lord Marley, D.S.C.
 John J. Adams, O.B.E., J.P., C.A.
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 Lt.-Col. G. W. T. Coles,
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 Arthur Pearson, M.P.
 Julian I. Piggott, C.B.E., M.C.
 Wilfrid Roberts, M.P.
 Sydney S. Silverman, M.P.
 Graham White.
 Coun. George Williams, C.B.E.

Same as 1944 letterhead, except
 for new Secretary

The Committee for Industrial Development

FROM OVERSEAS

Acting Chairman: DAVID GOLDBLATT

General Secretary: C. GENDALL HAWKINS

Administrative Secretary: R. O. MUNSTER, A.L.A.A., A.A.I.A.

5 LOWER GROSVENOR PLACE,

LONDON, S.W.1

Telephone: VICTORIA { 0285
9923

MEMBERS:

Lord Beveridge, K.C.B.
Lord Marley, D.S.C.
Lord Meston
John J. Adams, O.B.E., J.P., C.A.
Mrs. Corbett Ashby, D.Lit.
Vernon Bartlett, M.P.
Captain E. R. Bowen, M.P.
Captain G. R. Chetwynd, M.P.
Lt.-Col. G. W. T. Coles, T.D.,
A.S.A.A., F.S.S.
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Harold Davies, M.P.
S. O. Davies, M.P.
Simon Wingfield Digby, M.P.
Lady Megan Lloyd George, M.P.
Rt. Hon. James Griffiths, M.P.
Professor W. J. Gruffydd, M.P.
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Thomas Magnay, J.P.
W. H. Mainwaring, M.P.
J. P. W. Mallalieu, M.P.
R. Hopkin Morris, K.C., M.P.
Arthur Pearson, M.P.
Captain T. F. Peart, M.P.
Julian I. Piggott, C.B.E., M.C.
David Renton, M.P.
G. O. Roberts, M.P.
Wilfred Roberts, M.P.
Rt. Hon. Sir Arthur Salter,
G.B.E., K.C.B., M.P.
Professor D. L. Savory, M.P.
Sydney S. Silverman, B.A.,
LL.B., M.P.
G. J. Simmons, M.P.
H. C. Osborne, M.P.
Rt. Hon. Graham White
Major L. Wilkes, M.P.
Councillor George Williams,
C.B.E.
F. T. Willey, M.P.

C/T

15th April 1948

The Tyneside Refugee Industries Association

RULES

1. NAME: The name of the Association shall be "The Tyneside Refugee Industries Association".

2. OBJECTS:

- (a) The objects of the Association shall be to watch over, promote and protect the interests of Refugee Industrialists in the Tyneside Area and to advise and co-operate with the National Committee known as the Refugee Industries Committee upon all matters affecting the mutual interests of local Refugee Industrialists and to assist and extend the valuable work already achieved by the National Committee.
- (b) To provide opportunities of intercourse amongst the members including the acquisition and dissemination of information affecting the interests of the members. To assist and co-operate with Refugee Industrialists in all matters relating to their business and their welfare.
- (c) To provide a liaison between the members and the various Government departments with a view to assisting individual members by direct representation.
- (d) To raise funds by subscription and by levies upon the members and to make such grants or subscriptions therefrom to the Refugee Industries Committee after making due provision for all expenses, properly incurred and chargeable against the funds of the Association.
- (e) To bring to the attention of the General Public the aims and objects of the Association with a view to obtaining their co-operation and goodwill.

3. MEMBERSHIP, of the Association shall be available to all Refugee Industrialists in the Tyneside Area. Every new candidate for admission as a member having read the Rules of the Association, shall be proposed by one member and seconded by another, both of whom shall vouch, from their personal knowledge, for the fitness of the candidate. The candidate shall also sign a form of Application for membership giving all the particulars required by the Association with an undertaking to be bound by the Rules of the Association if elected.

The election of new members shall be by the Committee and no person shall be admitted to membership of the Association until so elected. Immediately upon election of a member, notice thereof shall be given to him and he shall be furnished with a copy of the rules of the Association and a request to remit to the Treasurer of the Association within one month from the date of such request such subscription, dues, levies or entrance fee as the Committee may determine. Upon payment thereof he shall become a member of the Association and be entitled to all the benefits and privileges of membership and be bound by the Rules.

Every member is expected to give his whole-hearted support and co-operation to the Association and undertake to respond loyally to such appeals as may be made to him by the Association through the Committee.

Any member may resign his membership by giving to the Secretary notice in writing to that effect. Every such notice shall, unless otherwise expressed, be deemed to take effect as from 1st July next following the receipt thereof. Provided that any member giving such notice after 31st May in any year shall be liable to pay all levies, dues or subscription payable for the following year.

If any member shall in the opinion of the Committee be guilty of, or if any member shall either before or after admission to the Association be accused of dishonourable conduct, or of conduct which would be in the absence of satisfactory explanations, derogatory to the Association or render him unfit to remain a member, then the Committee shall send to such member at his last registered address through the Post Office,

Hansard, Vol. 364, No. 107, August 22nd 1940, Col. 1441/2

Question No. 70

Mr. Wilfrid Roberts (L. North Cumberland) asked the Home Secretary "when he will be able to give a decision as to the release of Julius Bernet, interned at Mooragh Camp, Ramsay, Fritz Loebel, Robert Loebel, Fred Lessing and L. Roedelheimer interned at Douglas, Martin Lion, Hans Froehlich and Alexander Ichenhauser also interned at Douglas and whether he is aware that the employment of over 100 British subjects is dependent upon their release in industries. In several instances, they were attracted to this country by British Consuls and started with the full approval and after complete enquiries by the Home Office."

Sir John Anderson (Home Secretary): I hope to reach a decision on all these cases at a very early date and will communicate with my hon. friend.

3 pages

Speech by
The Right Hon. ALFRED DUFF COOPER, D.S.O., M.P.,
on June 10th, 1942, at Reliance Hall, Westminster,
at a Conference of Refugee Industrialists,
held under the auspices of
REFUGEE INDUSTRIES COMMITTEE.

Mr. Chairman, Ladies and Gentlemen,

I was very pleased when I received Mr. Cove's invitation to attend this meeting and to say a few words to those who are here. When he first asked me, I was unfortunately, owing to the date, not able to come, and I told him it was not just a formal excuse. He then very kindly arranged a different date in order that I might be here.

Formation of Committee.

I remember so well the early suggestion of the formation of this Committee. Those were the anxious days before the war, some three years ago now, and I remember telling Mr. Cove and other members of the Committee very frankly that, while I was most anxious to give every assistance in my power, I myself did not feel very optimistic about it. In those days—which were perhaps the most tragic of all days—the year that passed before the war, when catastrophe seemed so imminent and the hopes of averting it so desperate, the little we could do for those who had been obliged to leave their own countries was so little, and the part they could play in our affairs was so small.

Results achieved.

I congratulate all those who have worked on the Committee during the last few years on the remarkable results they have achieved. I think these results have been more than the most optimistic of us could then have hoped. Perhaps the terrible events which have taken place in the interval have assisted, rather than interfered with, the success of the Committee. There has been so much work to do in this country and in every country, so many supplies so urgently needed for so many purposes, that all who were willing and able to assist us in the war effort have been able to do so. Then, when there were still signs of peace, there seemed little room for the foreign competition which must always exist in the commercial world. You gentlemen, who have done so much towards the creation and development of new industries in this country, have felt that you were, not only playing a part in the commercial life of the country, but you were assisting the land where you have found a new, and possibly only a temporary, home, and also you were contributing to the great cause which you all have at heart, the cause of the Allied nations in the war. (Cheers.)

Position of the exile.

I hope that you have been able to feel that, whilst making your invaluable contribution to the cause of the Allies, you are not being false to your own nation. It is a terrible position for a man, who has been obliged to leave his own country, to make up his mind as to the part he is going to play, but this is essentially not a war of peoples but a war of principles. It is for this reason that anybody who believes in the principles for which the united democratic nations stand today, need have no qualms about bending all his efforts towards promoting that cause, although it may be temporarily imposing difficulties on the country from which he comes.

We have friends in every country on the continent, who are groaning under the yoke of the oppressor. There are multitudes, crushed beneath the heel of a tyrant, who look forward to the day of victory, and who will welcome it as enthusiastically as members of this country, and even now take part in the war upon our side. That is why no exile at the present time need feel that he is in any way hurting the interests of his own country, if he is opposed to the Government which now has his country in its power. He is rather promoting the true interests of that country, whatever country it may be, by contributing to the victory of the Allies. I would not, however, disguise from myself what must be all too well known to you, that exile is in itself a fearful penalty. The countryside in which a man was born, the scenes of his childhood, the landscape which he has known as a boy, the horizon of his adolescence, the streets and buildings of the towns and cities which he has known, are all precious possessions in the heart of a man, things which he dreams about, which are always part of his life, and for which no welcome in any foreign country can ever make amends.

Exile is a terrible thing and even in the modern world, where one travels swiftly, where transport facilities are so enormously increased, and where, on the conclusion of hostilities, return may be relatively easy, even so, for a man to spend many years away from his own country is something which nobody would willingly agree to do. I myself, even during six months absence from Great Britain, have felt a little of what nostalgia means, the sickness for home.

Welcome to this country.

Well, I hope that during these terrible years my fellow-countrymen have done their best to make you as welcome as the circumstances of the times permit. It has been an old tradition in this country, the welcome of the exile, and I think it is one of our finest traditions. We have thrown the door open to every kind of exile, whether they fled from a tyrannical power or a successful revolution, whether they were extreme Left or extreme Right; we have not enquired, and never will enquire, too closely. Their distress will be in the future, as it has been in the past, a passport to their welcome. This policy is due to qualities in the English race. We are a good-natured people, to whom cruelty is foreign. It is our nature to be kind and easy-going, and at the same time not to forget our own interests but to take a wide view with regard to our future.

This policy of welcoming the exile, while it has done good to the exile for the time being, has in the long run done a great deal of good to our own country. Throughout the years, our industries and our commerce have been forwarded and helped enormously by the intelligent assistance of refugees from foreign countries. Our industry has been considerably helped from generation to generation, and I think we have in this room the proof of how well it has paid us to be kind and hospitable to those who were obliged to seek refuge in our country, since the recent persecutions started on the continent.

Post-War Reconstruction.

Now, Ladies and Gentlemen, when this war is over, and when victory has been achieved, we must all turn our minds to the extremely difficult task of rebuilding the civilisation which has suffered so terribly from the blows that have been inflicted upon it by this long war. Many of you will no doubt return to your own country, taking with you, I hope, happy memories of your sojourn here. Some of you will prefer to remain and make your home here (Cheers), and to let yourselves and those who come after you be our people, inherit our tradition, and be proud of the name of English or British. In doing so, I feel you will be only continuing the work you have begun and rendering it, I hope, permanent, for, after all, the future of this world depends not on a few schemes which can be laid down on paper. International co-operation coming from such schemes can only succeed if it is founded upon a basis of international understanding.

It is one of your duties, and it will be one of your privileges, in those days which will herald the new world, to bring an understanding to that task, an understanding upon which must be reared the fabric of a new and better world. That you will be able to do, having the knowledge of all that is best and noblest in the countries from which you came, and having the knowledge also of what is good and noble in the country to which you have come. You will be able to help enormously by communicating with your friends abroad, and telling them and explaining to them, about the English people, because I am not sure that we are very good at doing that ourselves. If you have found a welcome here and friends, and have got over our faults (often they are on the surface), and have found a way into our hearts, (which are not bad hearts the greater number of them), and if you can, with that knowledge and experience, serve as representatives and sureties between the two countries, between ourselves and the continent, without the co-operation of which we can achieve nothing, if you can do this in the future, you will have served and will continue to serve as well as you have already served, the cause, the just cause, the cause, not of Great Britain only, nor of the British Empire, nor of the united Allied Nations, but of the whole world.

(Mr. Duff Cooper resumed his seat amid prolonged cheers from the audience).

The Conference was a private one and this speech is circulated privately.

No part of it may be published without the permission of the Secretary: Ernest G. Cove,

REFUGEE INDUSTRIES COMMITTEE,

12, Buckingham Palace Road, London, S.W.1.

REFUGEES IN BUSINESS HERE ARE WORRYING OUR FIGHTING MEN

British Legion To Fight The 'Alien Menace' To Post-War Jobs

By Sunday Dispatch Reporter

THE British Legion, representing thousands of ex-Service men and women, has decided to fight the menace of alien refugees carrying on business here after the war, which they fear will damage the chances of soldiers when demobilised.

It says that no refugee alien should be allowed to work in this country if there is a single ex-Service man or woman unemployed.

The Legion Planning Committee, in an interim report on small traders, which has been adopted by the National Executive Council of the Legion, advocates a system whereby licences granted to aliens during the war, other than to ex-members of the fighting forces, shall be periodically reviewed.

Many refugee aliens, an official told me, are employed by fellow-countrymen, who get enough money out of their countries to set up in business here.

A large number are engaged in the food trade, while many have set up small trading firms, without offices, others are employed by British firms.

Mr. J. R. Griffin, general secretary of the British Legion, said: "Recently the Legion published a report dealing with ex-Service men and women and small businesses. In this, we emphasised the fact that aliens who had been admitted to small businesses during the war should give place to our own ex-Service men and women."

'Astounded'

"I was astounded to receive a letter from a body established in this country to protect the interests of aliens living here. It was the Refugee Alien Protection Committee, Lansdowne-road, London, W."

"Surely the time is coming when there should be a firm recognition of the fact that our loyalties are to our own people, and that while we have been only too happy to offer shelter and homes to our Allies, the pressure on our housing space, our businesses, and employment is so great that the time is coming when some of this accommodation might be made available to our own people."

"Our first duty is to our ex-Service men and women. When one hears of organisations being established to protect the interests of aliens it is time for the British ex-Service man to make a stand."

The president of the Refugee Alien Protection Society was Lord Davies, who died in June last. The chairman is Dr. J. J. Mallon, Warden of Tynbee Hall and a Governor of the R.B.C.

'No Foundation'

Dr. Mallon said: "I am anxious that Mr. Griffin should not exaggerate the significance of the presence of refugees in this country."

"I sent a statement giving numbers of these refugees to Mr. Griffin which so far he has not published in the organ of the British Legion."

"Mr. Griffin is obstinately of the opinion that the committee is aiming to secure some sort of trading advantage for refugees, but there is no foundation for this."

2 pages

REFUGEE INDUSTRIES COMMITTEE

5, Lower Grosvenor Place
London, S.W.1.

21st November 1944

Copy from Original

J.R. Griffin Esq.,
British Legion
Cardigan House,
RICHMOND HILL, Surrey.

Dear Mr. Griffin,

I have had brought to my attention an article in the Sunday Dispatch of November 19th.

In this article reference is made to a statement by yourself to the effect that a number of refugees have started industries in this country which are giving employment to their fellow refugees.

It so happens that our Committee is an English Committee, and before starting our activities we had a Conference with The Rt.Hon. Oliver Stanley, who was at that time President of the Board of Trade.

Pre-war policy of the Board of Trade The Board of Trade had decided that hitherto this country had concentrated on the heavy industries, and that in considerable areas of this country the workers depended entirely on one industry, with the result that if any of these industries became depressed, a whole area suffered from unemployment with no alternative industry to alleviate that condition.

The Board of Trade had carefully investigated conditions on the Continent, and came to the conclusion that countries such as Czechoslovakia, though possessing no heavy industries comparable to those in this country had, by the establishing of a great number of small industries, succeeded in providing employment for their population.

Refugee Industries relieve unemployment The Board of Trade had therefore decided to encourage any industrialist on the Continent who wished to set up an industry in this country. They realized that in many of these industries it was desirable to introduce refugee key-workers whose function it was to train and supervise the British unemployed who were engaged in these factories.

It is quite evident that it was not the object of the Board of Trade to start refugee industries in order that they should provide employment for refugees.

I can assure you that our Committee is actuated by the same motive as the Board of Trade, and we are not interested in helping refugee industrialists unless we are convinced that they are capable of providing work for a substantial number of British workers who would otherwise

PTO on original

- 2 -

be unemployed.

Refugees employ disabled ex-service men

It may interest you to know that a great proportion of the industrialists in whom we are interested are already employing a number of disabled ex-service men. They are so keen on helping in this manner that in South Wales, for instance, they are arranging for a speaker, Mr. Hillier, representing disabled ex-service men, to discuss with

them any further steps that they can take to assist in this direction.

I assure you that our Committee is quite as keen as you are that refugee industrialists should not develop their businesses merely for the sake of employing refugees.

I presume that before making this statement to the Press you had some definite information on this question, and I shall be very glad if you will give me names and addresses of firms to whom you are referring. If you will do this, I can assure you that my Committee will take active steps to see that this matter is remedied.

Yours sincerely,

(Signed) Ernest Cove
Secretary

4 pages

new Dominion; as good a one as any in which to approach the future—"no promises, no prejudices, we're friends with everyone until they turn out to be otherwise."

The elephant, who does not forget, is prepared to be friends with all the animals of the jungle. That may be big of him—but he is big.

What Has The Refugee Industrialist Done?

"Many refugee industrialists have been grafted on to and accepted into the industrial life of this country—they run through the warp and weave of British activity . . . the total number of firms is in the region of a thousand."

THE strength of Great Britain has been constantly renewed by its intake of new blood and new ideas. From the time of Caesar onwards the development of our country has been, to a large extent, the result of the freedom of access to our shores. In the last decade, this process has been quickened, and the movement has been much more widespread and will probably have an even greater effect upon our economy.

When Hitler came into power there began a slow but steadily increasing flight. It began as a precaution, but by 1938 it had become the only way for a considerable number of industrialists and professional men to avoid first destitution and then death. First in Germany, and then from all the Central European lands over which Nazidom spread, emigrants, the former heads of great industrial concerns, made their way to the west and England received its full quota. These were men who had proven in their lands of birth their technical and administrative ability, and their courage to create or sustain great industrial undertakings. In their new homes all these qualities were to be tested to the full, and the pattern of their settlement was determined by a policy initiated by the British Government in the early 1930's.

At that period, Great Britain was in the midst of an economic crisis, and the black areas, previously the flourishing centres of our heavy industries, had been made the subject of special study and action by appropriate Government Departments. Some of the darkest areas were Jarrow, South Wales, South-East Lancashire, Cumberland and the Clyde. Trading estates were projected. Established British industrialists were sceptical of the chances of re-training men nurtured in broad industries and, in their view, now too old to be re-adapted. Special commissioners for these areas found themselves saddled with factories as well as sites which made no appeal to any large extent to our home industrialists. They turned, then, to the Continent. British Consuls abroad were asked to act as emissaries and to lay before these troubled men the blandishments and possibilities of re-establishment in the special areas. Advertisements were inserted in German and Czech papers

and the advantages set out in glowing terms. The result was that a number of already disturbed men were induced to come to Great Britain. It is for that reason, above all, that this time the new waves of emigrants did not settle down in one particular spot and create for themselves an industrial ghetto, as had so often happened in the past. This time, in all the quarters of Great Britain, including Northern Ireland, where unemployment was rife and misery rampant these pioneers made their new works. Nor were these activities confined to only one or two industries. These men, coming from half a continent, represented almost every important form of activity. The difficulties they met can be well understood by any manager or director of any industrial undertaking breaking fresh ground. The pool of labour was obviously considerable, though at first totally unsuitable. Men and women had to be taught fresh trades, the processes were complicated and varied, and the factories were in many cases unsuited to the type of industry. The heads of the firms had to apply themselves personally to the training of each individual workman. They had to sort out their foremen and their forewomen, and by dint of hard experience finally select their managers with but here and there an imported key worker, to whom permission was very grudgingly granted by the authorities.

When the war came there was, of course, a great influx of many who had been reluctant to break the ties of a lifetime and venture into a strange world whose language they could hardly speak and whose ways were bound to be puzzling. They all had one stroke of fortune: almost from the outbreak of war, Great Britain was clamouring for more and more factories. Unfortunately, running parallel with the demand of the Ministry of Supply were the fears of home security. To make matters worse, the quota system for raw materials tended to make them the butt of some manufacturers who found themselves circumscribed by their allocations and were therefore only too ready to point with an envious finger to whatever allocations were given to these newcomers. In actual fact, in Development Areas the quotas were granted out of the supplies specially allocated to these new centres of industry.

New processes saving time and labour, inventions that had been the jealously guarded possessions of foreign lands, and vast numbers of new trainees were now at the disposal of this country. It cannot be denied that these industrialists flourished. So far as they merited success it was accorded them. But it is not a story of roses all the way. Many, indeed nearly all, were interned after Dunkirk and their premises requisitioned by Government authority, some twice over, and upon release they had to restart it all, there or elsewhere. For the first two or three years of the war few of them were given a free run, but after that most of them settled down solidly to their job and reaped the harvest. In all the areas mentioned and in many other centres, such as Birmingham, Bradford, Leicester, Glasgow, London, Slough and Huddersfield, there are now many refugee industrialists who have been grafted on to and accepted into the industrial life of this country. It would take too much time to give a list of all the industries in which they are engaged—they run through the warp and the weave of British activity. It is believed that the total number of firms is in the region of a thousand and that the number of employees nears the quarter-million mark. They range from great factories in the Newcastle area, with two or three thousand hands, down to a small employer on specialised work with less than half a dozen helpers.

They are proud of the fact that there has not been a single case of an industrial dispute during a decade of their life in this country.

Here is the evidence. In West Cumberland before the war, only 15,000 of the total insured population of 37,000 were in work, and it was argued by well-informed authority that the only salvation of Cumberland lay in the transfer of its population. In Maryport, in particular, the percentage of workless was no less than 87—the blackest spot in the country. To-day, however, the picture has been completely re-drawn and there are no less than 46,000 people employed. It would be a gross exaggeration to suggest that this was due entirely to the refugee industrialist. But it is true to say that he has introduced to that former one-industry area a diversification of industry, with new hope and new opportunities to those who live there.

At the Maryport factory of Hornfellow Co., Ltd., for example, they are producing each day about 850,000 plastic buttons of various colours in a factory of 55,000 sq. ft. An extension of 23,000 sq. ft. is nearing completion, when their target will be 1,000,000 buttons a day plus buckles, slides and fertilizers. About 35 per cent. of their production is for export. The present labour force is approximately 400.

Thirteen thousand pairs of rubber boots and shoes are being produced each week by the British Bata Shoe Co., Ltd., who also employ 400 workers.

A notable example of improvisation and conversion is that carried out by Marchon Products, Ltd., at the disused coke-oven plant at Whitehaven. The firm took over derelict buildings and 25 acres of land four years ago and is developing large-scale manufacture of sulphated fatty alcohols and other chemical products for use in textile, leather, cosmetic, pharmaceutical and household industries.

Finally, and perhaps best, is the story of three brothers—Alfred, Victor and Jacob—and of their family tanning business in Prague dating back to 1795. Early in 1939, Alfred and Jacob came to England to see what could be done to develop the export business of their Czech factory. Possibilities included the opening in this country of a finishing department for lamb-skin products. The brothers had no intention of staying here. But when Hitler marched into Czechoslovakia, they found themselves penniless in this country despite their considerable assets in Czechoslovakia. They decided to open a factory here. In November, 1939, they received an order for £60,000 from the Dutch Government, but the terms demanded that the first delivery of the goods should be made on March 1, 1940—four months later. And they had neither premises, plant nor any employees, let alone skilled workers.

With the co-operation of the Government, the essential machines were delivered in January. They had found an old mill in Northern Ireland and there they began to train the village workpeople, who had no knowledge whatsoever of tanning. Indeed, the village had known little more than unemployment for twenty years.

A beginning was made towards the first delivery. Then Hitler invaded Holland. Field-grey leather and the £60,000 order evaporated overnight and they were left with the material on their hands. What was to have been sold to Holland at the rate of 1s. 7d., they were glad to dispose of for 8d.

This catastrophe compelled them to change from clothing goats leather to suede kid. By October, 1940, the change had been made and suede was

being despatched in large quantities to leading firms in various parts of the country.

The tannery promised the Government that it would absorb 25 people in the first year and 60 in the second. In fact, it employed in the first year 120 people, by 1940 300 people, and to-day 400, 60 per cent. of whom are male. The previous average earnings of these villagers—those that were employed—all approximated to 30s. a week. To-day they average £5 a week.

The firm has bought the mill outright to-day, but it had also to purchase the two villages (192 houses) where most of its employees live. By way of interest, the rent these employees pay for their cottages varies from 1s. to 2s. 6d. per week. The upkeep of the houses is no small expense to the company.

Old business friends sought to do business from Sweden, Norway, Egypt, Portugal and the Argentine. During the war jerkin leather was turned out for the Forces together with Utility leather. To-day more than half the production consists of suede worked out from sheep suede, hairskin suede and cabretas for shoes. This tannery absorbs 125,000 skins per annum, half the total output of Northern Ireland. In total, it handled last year a million skins, or 5 million sq. ft. of leather.

Being only 50 miles from Eire, business is easily developed with that country, but export licences are hard to come by. Not one-tenth of the orders can be executed. In 1941, exports to Eire equalled the home trade. This large export business gradually fell, however, because the Government based their export allocation on 1939 figures, when the company did not exist. This state of affairs continued until February, 1947, when a reasonable export quota was given. Despite current difficulties, up to 25 per cent. of the total output of this large tannery goes in export.

It is, frankly, a "success story." Not all those who came to these shores have a similar story to tell. But it does, perhaps, answer some of those critics who ask, "What has the refugee industrialist done?"

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JC



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7 Moor Road Sth
NEWCASTLE UPON TYNE
NE3 1NN

Your reference

Our reference

Date 1 November 1977

Dear Mr Loeb1

Thank you for your letter of 31 October. We were unable to obtain employment information for 9 of the firms on your list (Nos 5, 13, 24, 35, 36, 40, 43, 44 and 51). Total employment in the remainder in 1974 amounted to 16,000. The ratio of males to females being approximately 1.2 : 1. I confirm that these figures relate to all employees at the establishment level.

I hope this information will be useful to you.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'S E Muse'.

S E Muse