



## [Comments on Proposal for a Weaving Holding Company]

It is indeed surprising that no effort was made to explain what precisely the promoters had in mind when they spoke of a Weaving Holding Company.

The original press release on the proposed restructuring of the Harris Tweed Industry, released by the Highlands and Islands Development Board on July 31<sup>st</sup> 1974 has the following comments on the Holding Co.:

A new holding company operating on commercial lines and re-investing any profits made would be formed to purchase and own the looms, and administer the workshops. The weavers union would have a major say in the running of the new holding company, in which the union would be invited to invest. The Highlands and Islands Development Board and the Harris Tweed Association might also be represented in the company and the new Island authority might be invited to invest in it.

Like all press releases the above statement is very carefully prepared and requires close examination.

Take the statement 'The weavers union would have a major say in the running of the new holding company, in which the union would be invited to invest'. This speaks about the weavers union and not about the weavers and can anyone imagine that the weavers or the weavers union would invest sufficient money in the holding company to enable them to have a 'major say in the running of the new holding company'.

In another paragraph of the same press release from the H.I.D.B. it states as follows:

The proposals are still at an early stage and can only be put into effect if the H.I.D.B. and other organisations are prepared to make a very large investment in the re-tooling of the industry; the investment would amount to over £1 million over a number of years.

In an investment of £1 million it is obvious that the weavers could not command a major say. It is difficult to imagine the new Islands authority getting involved financially to any great extent and we are always told that the H.T.A. has insufficient funds to sustain a worthwhile advertising campaign.

It is logical that the weaving company will be controlled by those who provide the financial backing and it seems the greater part of that will come from the H.I.D.B. and probably the Hebridean spinners.

It is suggested that the weaving holding company will own the new double width power looms and administer the workshops. It is not clear from this if the weaving company will own the workshops or just rent them from some other body such as the H.I.D.B.

The Holding Company is to operate on commercial lines and reinvest any profits made. This statement requires clarification. If the company is to be a weaving company only, then the income of the company will come from the rent charged to the weavers for the use of the looms and the buildings.

Suggestions were already made to the effect that the weaving company establish a relationship with the marketing of Harris Tweed and this opens up a wide field of speculation as to the ultimate form the Holding Company will take. Could it be that the Holding Company will eventually embrace the whole industry - weaving, mills, and marketing, the whole industry centralised under one employer, the Holding Company, which in the end might turn out to be the Hebridean spinners backed by the H.I.D.B.?

[ends]

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Author: Angus Macleod

Date: 1974

Original document title: The Proposed Weaving Holding Company

Location in physical archive: Series D, Files 15-22, Section 21  
NRAS reference: NRAS 4336/1/4/22/3

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