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C O N T E N T S

176

Paragraph

- I INTRODUCTION
- II PROPOSED CHANGES IN THE ORB MARK DEFINITION
- III RECOMMENDATIONS:
 - 1. Power looms to be introduced into the Industry
 - 2. A strong and efficient Marketing Organisation to be set up.
 - 3. Power weaving of all double width cloth to take place in weaving units only in the crofting areas; each unit to house probably 12 power looms.
 - 4. Each unit to operate for 16 hours daily on a 2 shift basis on a 5 day week or on some equivalent basis. A minimum wage for unit workers to be agreed.
 - 5. The units to be branches of a new holding company.
 - 6. Structure of new company as described in Para. XI.
 - 7. The new Company to be based in Stornoway.
- IV MARKETING CONSIDERATIONS
- V CHANGES REQUIRED FOR DOUBLE WIDTH POWER WEAVING
- VI WEAVING UNITS
- VII LOCATION OF WEAVING UNITS
- VIII THE NEW DOUBLE WIDTH LOOM
- IX EMPLOYMENT AND WORKING CONDITIONS IN THE WEAVING UNITS
- X CONTROL OF THE WEAVING UNITS
- XI THE HARRIS TWEED WEAVING COMPANY:
 - 1. Functions
 - 2. Board of Directors
 - 3. Management and Staffing
 - 4. Production
 - 5. Distribution
 - 6. Pre-Trading Operation
 - 7. Office Premises
 - 8. Projected Output, Employment, Financial results
 - 9. Alternative Loom
 - 10. Funding
 - 11. Single width weaving
 - 12. Structure of the H.T.W.C.
- XII CONCLUSIONS
- APPENDICES /

APPENDICES:

- I Proposed amended Regulations governing the use of the Harris Tweed Certification Mark.
- II Plan of Weaving Unit.
- III Suggested sites for weaving units.
- IV Organisation Chart of the proposed Weaving Company.
- V Projection of output and weavers employed - Wilson & Longbottom looms.
- VI Projection of output and weavers employed - Dornier or Somet looms.
- VII Projection of Individual Weaving Unit performance.
- VIII Projection of Single-width Weavers' performance.
- IX Harris Tweed Weaving Company's projected Trading Accounts.
- X Projection of Harris Tweed Weaving Company's Profit and Loss Accounts and Cash Flow.
- XI Estimated financial requirements.
- XII Comparison of financial requirements.

- (3) The aim should be that power weaving of all double-width cloth should take place only in the crofting areas in township weaving units each housing probably twelve power looms.
- (4) It is considered that each unit should operate for 16 hrs. a day on two shifts over a 5 day week or on any equally economic basis. A minimum wage for the unit workers should be agreed.
- (5) The weaving units should operate as branches of a Holding Company formed to control all the Harris Tweed Weaving activities.
- (6) The new Company should be set up as a limited liability company with an authorised and issued share capital of £100,000 allocated as follows:

H.I.D.B.	40%	£40,000
Manufacturers	30%	£30,000
Weavers	30%	£30,000

Its functions, Board of Directors and staffing should be in accordance with the proposals set out in Paragraphs XI. 1. to 3.

- (7) The office of the new weaving company should be in Stornoway.

IV. MARKETING CONSIDERATIONS

An important factor in considering the introduction of power woven double-width cloth will be its reception in the market place. Accordingly in 1974 the H.I.D.B. engaged Inbucon/A.I.C. Management Consultants to undertake a Market Survey to establish the distribution and make-up trade's attitude to the proposed wider machine woven cloth.

The Report was completed in January 1975 and has been circulated to representatives of the various bodies involved in the Harris Tweed Industry. The key conclusions in the report were:

- (a) Double-width machine woven Harris Tweed will be readily accepted by all markets at the same price per sq. metre as single-width, though most customers will naturally expect it to be cheaper.
- (b) Machine woven double-width tweed will eclipse single-width in all markets except the U.S.A. The rate of change will be governed merely by the speed at which double-width supplies can replace single-width.
- (c) The most dangerous competitor of Harris Tweed in all markets is still Harris Tweed itself.
- (d) Central control over the introduction of double-width tweed is vital, if marketing success, and a proper return on investment in new looms, is to be achieved.

A strong, disciplined marketing organisation is essential if power-woven double-width Harris Tweed is to be successfully introduced. There can be no question of an investment on the scale envisaged in this report without some guarantee of an effective marketing body being set up and accepted by the appropriate parties in the Industry.

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The Inbacon/A.I.C. report outlined a basis on which such a body might be set up. The manufacturers disagreed with this proposal and will be presenting an alternative recommendation to the Committee when this matter is again discussed.

V. CHANGES REQUIRED FOR EQUIPPING THE FOUR WEAVERS

The following difficulties would require to be overcome before modern power driven looms could be introduced into individual weaving sheds on the same basis as the present Hattersley Loom:

- (1) The cost to the weaver of a new Rapier Loom would be at least £5,000 and possibly more than £10,000 depending on the choice of loom.
- (2) The machines are more complex and would require more expert tuning and maintenance.
- (3) The handling of the beams would be difficult, if not impossible, for a single weaver.
- (4) Almost all the weaving sheds would have to be expensively extended or rebuilt.
- (5) Distribution would be difficult and direct access from the shed to the main road would be essential.
- (6) One man to one new power loom would lead to an inefficient use of the loom and difficulties in obtaining an adequate return on the investment made.

Inevitably when these problems have been assessed one is forced to the conclusion that it will never be possible to justify a scheme for the introduction of power looms on the basis of one to each weaver in his own shed as at present. An alternative basis for introducing power looms would be to consider locating them in the Spinning Mills in Stornoway and Shawbost. On purely economic terms a case could be made for this alternative but we discarded it for the following main reasons:

- (1) The whole tradition of Harris Tweed as a cloth produced in crofting townships would be destroyed.
- (2) Essential employment in crofting townships would be lost and the very future of these communities could be placed in jeopardy if people were forced to work in Stornoway.
- (3) It is the opinion of the Harris Tweed Association's legal advisers that there would be a real danger of the Orb Mark being completely lost if this move were made.

We have therefore for the reasons stated in (1) to (3) above discounted the possibility of the weaving being carried out at the Mills in Stornoway or the Mill in Shawbost.

This leaves as the only real alternative the introduction of power woven cloth on the basis that the looms will be housed in new weaving sheds capable of containing a number of machines and located in /

in crofting townships which have weaving traditions. (Hereinafter the new weaving sheds are referred to as 'weaving units'). We would suggest that the introduction of these units should be on the basis that some of the present problems on employment status and conditions of work for weavers can be overcome in any new organisation.

VI. TOWNSHIP WEAVING UNITS

The reasons why we consider that the new power looms should be introduced on the basis of township weaving units have already been stated. We now require to consider how many power looms should be housed in each unit, where the units should be located and the type and standard of building required. In considering the size of the unit required the following factors should be taken into account:

- (1) There will be a minimum size of building capable of providing the necessary facilities for the weavers and be built at a reasonable cost.
- (2) The power looms can be operated more efficiently in groups and this also simplifies distribution and maintenance problems.

We have therefore come to the conclusion that probably the most appropriate size of weaving unit would be a building capable of housing 12 looms. Any greater number of looms per unit could result in too high a concentration of weavers in fewer areas while a smaller number of looms per unit could lead to an uneconomic operation.

The size of each weaving unit on this basis would be approximately 80' x 50' with adjoining toilet, canteen, storage and office accommodation. This would give a production area of about 4,000 sq. ft. A rough sketch plan for such a unit is attached as Appendix II.

Taking into account the problems and costs of building in the Western Isles we consider that the only basis on which it would be possible to build such township weaving units would be for the H.I.D.B. to undertake the construction of the units for leasing to an operating Company at a rent fixed by the District Valuer. A two year rent free period might be necessary.

The market demand for power woven double-width Harris Tweed and the practical difficulties in acquiring suitable sites and constructing the weaving units will in themselves dictate the speed with which the new product can be introduced. A smooth transition from a portion of the single-width production to double-width is essential and the transfer must not cover too long a period. The following programme - which would be subject to annual review - is proposed for the introduction of township weaving units:

1977	3 units operative
1978	6 " "
1979	9 " "
1980	10 " "
1981	11 " "

We have not tried to project beyond 1981 as obviously progress by that stage will depend on how the market has progressed. All the assumptions made hereafter are based on the above schedule of township weaving units being achieved.

VII. /

VII. The final choice on the location of township weaving units must be made in agreement with the weavers. It is difficult at this stage to say precisely where the first three units will be located, as much will depend on the availability and suitability of sites. Several possible locations have been inspected at Lauriest, Cromore, Shawbost, Barvas, Craikay and Mack. Further sites throughout Lewis and Harris will need to be investigated until the required number have been identified and approved. The map in Appendix III shows areas in which weavers are presently concentrated.

VIII. THE NEW BOARDING BREEMING LOOM

Initially when it was decided to investigate the introduction of double-width Harris Tweed it was hoped that it would be possible to achieve this within the existing 'Orib' definition. It was accordingly agreed that a treadle-operated rapier type loom should be designed and manufactured specially for the industry. A prototype treadled machine, commissioned by the H.I.D.B. was designed and built by Wilson and Longbottom Ltd. The proposed price for this machine and its rate of output were such that the economics of its introduction could not justify the costs of changing to this form of production. This led to the proposal that the loom should be motorised. Further discussion resulted in a decision to consider alternative power looms already on the market and the Sub-Committee finally agreed that a choice of a suitable loom for the Harris Tweed Industry should be made from the following machines:

Dornier
Somet
Wilson & Longbottom (Motorised)

We concluded that it would be of considerable value if the three looms could be tested on the island before the final selection was made and we arranged with the loom agents for one loom of each make to be installed in premises in Stornoway for a period of up to three months so that a series of tests could be carried out. The trials ended on 4th July and a report on them will be available shortly. The costs of the trials are being shared by the H.I.D.B., the H.T.A., the T.G.W.U. and the Spinning Companies. A limit of £15,000 was placed on the total cost of the trials.

It is not possible at this stage to state which loom will ultimately be chosen as the right one for the Harris Tweed Industry. Depending on this choice there may be some amendments needed on the costs of the scheme outlined in this report along with some other points of detail. The main conclusions will not however be affected by the choice of loom.

IX. EMPLOYMENT AND WORKING CONDITIONS IN THE WEAVING UNITS

In addition to offering the weavers congenial working conditions the introduction of the new units will provide the means of employing them as Class I workers and thus remove the disadvantages of the self-employed status.

It is proposed that each unit should operate for 16 hours a day on a 2 shift basis over a 5 day week. These arrangements may, however, be /

Appendix VI = 8 units of 12 Looms each = 96 Looms
See below = 6 to 8 operatives per shift per unit = say 56 operatives x 2 = 112

See below = 132 full-time power weavers - Seems to be an inflated figure
even assuming the same production
provided that a satisfactory weaving output is maintained, as projected

We would hope that a minimum wage for the workers in each unit would be agreed as well as a scheme for bonus payments based on performance.

These banking arrangements would, we believe, result in efficient production and considerable savings in weaving costs and it is hoped that these savings will be retained in the industry and not passed on to customers in the form of lower selling prices. Consideration could be given to using these resources to create pension funds and other benefits for weavers and to assist single-width weavers during the transitional period if this is considered necessary.

We have assumed for the purposes of this Report that each weaving unit will require six to eight operatives per shift, depending on the type of loom used. Three or four will control the looms and the others will carry out ancillary work. The staff of a weaving unit may include women and one member of the work-force will act as foreman or charge-head who will be responsible for the efficient running of the unit during the shift. Training of staff will be organised centrally.

In arriving at the estimated levels of employment shown in Appendices V and VI, we have deliberately taken a pessimistic view so far as residual single-width weaving is concerned. However, in forecasting the 'Actual' numbers likely to remain employed after the introduction of double-width power weaving we have recognised that slack periods occur and that consequently part-time employment should be available for possibly up to twice as many single-width weavers as would be needed if they were working on a full time basis. In practice, the rate of introduction of double-width weaving might be slower than anticipated in these Appendices and it is possible that the number of jobs remaining for single-width weavers could accordingly be greater than forecast.

It must also be kept in mind that the present single-width workforce is likely to diminish due to natural wastage during the period under review. A survey of the age-grouping of weavers in mid-1972 indicated that 21% were over the age of 55 at that time. We consider that the corresponding percentage in relation to the 630 weavers active in 1974 would be at least as great and therefore, assuming a retiring age of 65, it can be expected that over the next ten years the number requiring employment in weaving would be reduced to approximately 500. This rate of reduction could well be accelerated by the incidence of alternative employment in oil-related industry.

Although Appendices V and VI indicate a fairly drastic reduction in the number of jobs available to weavers following the introduction of double-width power weaving, the figures must be considered in the light of what could happen if no such change were made. It is, of course, impossible to make a wholly accurate assessment, but if the trends of production and employment over the past 5 years continue, it would appear that without re-organisation the number of jobs available in single-width weaving could in any case fall to between 250 and 300 by 1981. As indicated above, these would tend to be part-time jobs, which would occupy the weavers for less than 50% of their time, whereas Appendix V suggests full-time employment in 1981 for 132 power weavers plus part-time employment for a further 63 hand weavers. In addition to the foregoing, it is not unreasonable to expect that the number of jobs within the spinning /

spinning mills would also be adversely affected by a continuance of the present downward trend in Harris Tweed production; whereas the opposite would be the case were production to be increased as a result of the introduction of double-width power weaving.

X. CONTROL OF THE WEAVING UNITS

There are three obvious alternative ways in which the weaving units could be operated. These are:

- (1) As individual township co-operatives run by the weavers in each weaving unit.
- (2) As an extension of the spinning companies where each Mill could directly control a number of units and employ the weavers concerned.
- (3) By the creation of a new weavers holding Company properly financed and managed to take overall control of the weaving operations and operate each weaving unit as a separate branch.

We consider that the creation of many separate co-operatives would unnecessarily fragment the weaving capacity on the island. It would create problems of management control and distribution which could more easily be overcome in a single Company. We can see no great advantage in creating a new organisation involving separate weaving co-operatives.

There would be no administrative problems involved in allocating units to individual Mills and making the weavers direct employees of those Mills. This would however deprive the weaver of a freedom which he presently has of which Mill to work for. There could be problems of work load as between units if for instance one Mill had a heavy order book while another had a weak sales position. Most important of all however it could be regarded as the first step towards the ultimate transfer of weaving into the Mills on a total factory basis. A change in the 'Orb' mark could be more difficult to obtain if the units were controlled on this basis.

The majority of the Committee do not therefore consider that weaving units should be allocated to individual Mills. In their view the most appropriate way in which township weaving units should be controlled is through a Weavers Holding Company set up for the specific purpose of operating these units and their allied activities. For the purposes of this report this new Company has been referred to as the "Harris Tweed Weaving Company" but the final choice of a name should be left open until detailed investigations have been completed.

Manufacturers' Reservations

Messrs. R. Burns and A. Hay, as representatives of the Hebridean Spinners Advisory Committee had some reservations on the basis suggested for controlling the operation of the weaving units and for the distribution of profit. Their views are recorded immediately following the Conclusion to this Report.

XI. /

XI. HARRIS TWEED WEAVING COMPANY

1. DIRECTOR

We consider that the functions of the Company will be:

- (1) To provide a weaving service and to liaise with the Spinning Companies in regard to all their weaving requirements.
- (2) To allocate and distribute the necessary beams and yarn, picked up from the Spinning Companies for weaving work, to all single-width weavers and the new double-width weaving units; and to collect the woven cloth and beams which would then be returned to the Spinning Companies.
- (3) The remuneration of the weavers.
- (4) The preparation of final accounting and interim management accounting information for all the weaving activities.
- (5) Generally to deal with all administrative matters on behalf of the Harris Tweed weavers.
- (6) The training of weavers.

2. BOARD OF DIRECTORS

We consider that the controlling Board of the new Company should comprise of weavers and representatives of the other parties involved. It could be made up as follows:

Chairman	- Nominated jointly by H.I.D.B. and H.T.A.
Chief Executive	
2 Weavers	- Nominated by the Weavers Union.
2 Manufacturer's Representatives	- Nominated by the Hebridean Textile Manufacturers Association.
1 Other	- Nominated by H.I.D.B. and H.T.A.

3. MANAGEMENT AND STAFFING

(Note: Salary estimates are based on late 1974 values)

The Company should be staffed on the following basis:

(a) Chief Executive

This post must be filled by a person of high calibre with a thorough knowledge of weaving, and preferably with considerable experience of working in the Harris Tweed Industry. His salary would have to be commensurate with his ability and experience, probably/

probably at not less than £4,000 per annum. He would need to travel regularly both to the weaving units and the Spraying Company and would therefore require a car. The appointment or dismissal of the Chief Executive would require to be confirmed by more than 50% of the Shareholders.

(b) Financial Executive

The smooth administration of the Company would depend to a considerable degree on this official. His responsibilities would include the control of the Company's accounting and costing records and cash flow, weavers' remuneration and general administrative work. The very substantial funds under his control and the management information he would be required to provide at regular intervals indicate clearly that an experienced Accountant should be appointed to this position at a salary of not less than £3,500.

(c) Technical Executive

While each weaving unit will have a fully trained tuner capable of setting up the looms and dealing with all normal adjustments and maintenance it is considered that the Holding Company should employ a Technical Manager who would be responsible for major overhauls and for seeing that all equipment was maintained in good condition. His salary would be at least £3,250 and as his job would entail a considerable amount of travelling to the weaving units he could probably use the small van which would be required for special journey's to the single-width weavers. This van will almost certainly be under-utilised on distribution work in the early stages and would be useful for carrying spare parts etc. for the looms.

(d) Distribution Executive

A person of some experience in distribution would be required for this position, in view of the proposal that all distribution of Harris Tweed should, at an early date, become the responsibility of the Weaving Company. It is assumed that this will become a full time job at a salary of £3,250.

(e) Clerical Staff

It is not possible to say exactly how much clerical assistance will be required but up to 3 clerks or clerkesses have been allowed for in the first year.

The above level of staff in the Weaving Company should ensure that little or no administration work need be carried out in the weaving units.

A chart showing the management and staffing organisation proposed is attached as Appendix IV.

4. PRODUCTION

All weaving will continue to be done only in the crofting communities as at present. The major change envisaged in these proposals is that all weaving /

weaving orders will be passed to the weaving company for allocation and distribution, and it will be the Chief Executive's responsibility to see that high standards of weaving production and quality are reached and maintained.

5. DISTRIBUTION

As with some other aspects of double-width based production, it is feasible at this stage to make only interim proposals for distribution arrangements until some experience has been gained during the early months of the scheme. The following assumptions and recommendations are made in respect of these arrangements:

- (a) To avoid double handling the Weaving Company will have no warehouse accommodation. Delivery will take place direct from the Mills to the weaving centres.
- (b) The Weaving Company will be responsible for the distribution of double-width Harris Tweed from the date of its introduction. Distribution of single-width weaving requirements will also be undertaken by the Company as soon as possible - probably within six months of the opening of the first double-width weaving unit.
- (c) It is expected that a large box van (16 tons GVW) suitably equipped with mechanical handling aids will be sufficient to cope with all the first year's double width requirements and most of the single width work but this will require confirmation after more detailed investigation has taken place. A second, smaller vehicle of the "Transit" type (35 cwt.) would be required for urgent work and for journeys to single-width weavers where it would be uneconomical to use the larger vehicle.
- (d) As at present, deliveries for single width weaving to the more remote areas of Lewis and Harris can be carried out by the Post Office.
- (e) Two drivers with a Class 3 HGV licence will be required; one to drive the large vehicle full time; the other to drive the van and to deputise for the driver of the larger vehicle.

6. PRE-TRADING OPERATIONS

In order to commence trading effectively on the target date it will be necessary to appoint the key management personnel as quickly as possible after agreement to proceed with the new Company. This will allow for detailed operational plans to be prepared.

7. OFFICE PREMISES

Suitable rented office accommodation will be required for the Weaving Company in Stornoway and this should include a yard or parking area for the Company's vehicles.

8. PROJECTED OUTPUT, EMPLOYMENT AND FINANCIAL RESULTS

The following assumptions have been made in preparing the projected financial results:

- (1) /

- (1) The production levels used for each year are identical to the sales forecasts set out in the Introduction to this Report. They are divided into single and double-width production, and expressed in millions of linear yards as follows:

Year	Single Width		Double Width		Total Yardage
	Yardage	%	Yardage	%	
1975	1.70	100	-	-	1.70
1976	1.90	100	-	-	1.90
1977	1.58	75	0.51	24	2.09
1978	1.10	48	1.20	52	2.30
1979	0.28	11	2.25	89	2.53
1980	0.28	10	2.50	90	2.78
1981	0.17	6	2.75	94	2.92

The single width production is expressed in double-width yards equivalent.

- (2) The calculations are based on the use of the Wilson and Longbottom Loom.
- (3) The following loom efficiency ratings have been used in respect of double-width production:
- 50% in the first year
 - 60% in the second year
 - 75% thereafter
- (4) The timing of the introduction of the loom units is in accordance with the programme set out in Para. VI.
- (5) The staffing of the loom units follows the proposals made in Para. IX.

Appendix V is a table of the projected output yardage of both single and double-width Harris Tweed for the years 1975 to 1981, together with a forecast of weavers employed throughout the same period. The proportion of total output allocated to double-width cloth production has been calculated in accordance with the assumed capacity of the motorised Wilson and Longbottom Loom. The balance of the total output represents residual single-width production.

The number of weavers estimated to be employed on double-width production throughout the budget period is simply a calculation based on the number of weaving units in operation. While there are approximately 630 registered Harris Tweed weavers at present, the actual production for 1974 is equivalent to the output of 290 weavers working full time on the Hattersley manual looms. The gradual reduction in the number of "full-time weavers" producing single-width cloth is in direct proportion to the forecast of the residual single-width production.

It /

It will be seen, therefore, that the employment forecast is related directly to Inbreen's claim that "the rate of change will be governed mainly by the speed at which double-width supplies can replace single-width".

Appendix VI shows the equivalent data in the event of the Dornier or Saurer looms being used in the weaving units instead of the Wilson and Lonkrotten loom.

Subsidiary Statement Single-width

- (a) Appendix VII is a subsidiary statement of the operating results for one weaving unit. The weekly production figures of double-width cloth are based on the output and efficiency data as contained in Appendix V. The weaving rate of 30p. per yard is adjudged to be a reasonable charge for the purpose of these projections.
- (b) The estimated operating results for the single-width weavers are shown in Appendix VIII. The volume of production is taken from the table of output and weavers employed (Appendix V). The weaving rate of 50p. is considered to represent a fair average of the rates in use in late 1974. A 5% handling charge has been added to cover distribution and administration costs at present borne by the manufacturers.

The weaving Company's projected trading accounts for the years 1977, 1978 and 1979 are summarised in Appendix IX, it being assumed that the first three weaving units will not be in operation before 1977. The following explanatory comments are made:

- (a) The Gross Income of the weaving units is the appropriate figure shown on the subsidiary statement (Appendix VII) multiplied by the number of units in use. The hand weaving Gross Income is identical to that shown on the single-width weavers subsidiary statement (Appendix VIII).
- (b) The overheads are made up of the weaving unit expenses shown on Appendix VII, multiplied by the appropriate number of units, together with the Distribution and Administration expenses estimated in the light of the facilities and staff requirements discussed earlier in this report.
- (c) In these projections it is assumed that single-width weavers will remain self-employed whereas unit weavers will be engaged on a "class one" basis by the new Weaving Company.

The weaving Company's estimated profit and loss account and cash flow for the three years following the introduction of double-width weaving are summarised in Appendix X. As we indicated in Para. XI(6), it will be necessary for some pre-trading expenditure to be incurred presumably in 1976.

Provided the sales and production forecasts are met it would appear that acceptable profits could be earned by the weaving company. It should be noted, however, that no provision has been made in the projected accounts for the payment of bonuses to the weavers. The introduction of a suitable scheme for bonus payments may be considered to be an important aspect of the Company policy. We believe that an equitable scheme should be devised whereby /

which may have a material effect on individual weaving unit performance would be made to weaving if a sufficient level of profit remained and also providing for his personal requirements. The savings of loans in any one year should also reduce the need for the retention of reserve funds for future developments.

9. APPROPRIATE LOANS

Appendix III is a comparison of financial requirements between two sets of proposals; one based on the use of the Wilson and Longbottom loom and the other on the Lomax type of loom. As four hundred or more looms would be required in the long run the total capital costs should be lower than in the case of Wilson and Longbottom looms being used.

10. ESTIMATED FINANCIAL REQUIREMENTS AND PROPOSED FINANCING

Estimated expenditure on capital equipment and working capital requirements of the new weaving Company are set out in Appendix IV, together with the proposed sources of funds. The new looms, vehicles and other equipment are expected to be purchased outright, with the loom units and office premises being rented. We would stress that all the financial projections in this report are based on 1974 values, no account being taken of the subsequent effects of inflation.

The total capital cost over the years 1976 to 1979 including the cost of the weaving units which we hope would be built and leased by the H.I.D.B. is:

	£
1976 (including 3 units)	483,000
1977 (" 3 ")	433,000
1978 (" 3 ")	433,000
1979 (" 1 ")	138,000
	1,487,000
	1,487,000

It is proposed that this requirement could be funded as follows:

	£
Share Capital	100,000
Loan Capital	360,000
Regional Development Grants	100,000
Company's Retained Earnings	147,000
	710,000
Weaving Units, (financed by H.I.D.B.)	777,000
	1,487,000

Bank /

Part of mill facilities, estimated at £45,000 would be taken up in 1976 to 1977, and remain in 1978.

It is assumed that loans and grants or advances will be sought from the H.I.D.B. and other Gov. Dept. sources. It may also be necessary to seek assistance from the Govt. for the purchase of certain machinery to the Govt. purchase facilities referred to in the previous paragraph.

11. SINGLE-WIDTH WEAVING

The Market Board indicates that essentially the demand for single-width Harris Tweed would decline just as rapidly as double-width tweed could be introduced. An exception to this is the U.S.A. market where a substantial import duty concession applies to hand woven cloth up to 29" wide. It is important, therefore, to maintain single-width hand woven Harris Tweed for the American market for so long as the U.S. duty concession remains.

At the same time, while the proposed timing of the construction of the weaving units suggests a fairly rapid introduction of double-width tweed, a ~~growing~~ but important market for single-width Harris Tweed will continue for some time.

Those weavers who, on the introduction of power woven Harris Tweed, decide to continue operating as single-width weavers at their own homes, should in our view come under the control of the new weaving Company. In accordance with the Transport and Distribution arrangements the effective date will be within six months of the introduction of double width Harris Tweed.

No immediate monetary advantage will directly accrue to the single width weavers as a result of the assumption of control of their weaving activities by the new Company.

Although we have assumed for the purpose of the financial projections that the single-width weavers will retain their self-employed status, all sections of the industry may consider it equitable to find some way of changing their status to that of Class One workers employed by the Weaving Company.

12. STRUCTURE OF THE WEAVING COMPANY

At the outset of the discussions it was not envisaged that the Spinning Companies would be invited to invest in the new weaving Company. The reason for this was to preserve the independence of the weavers.

It is our view that it would be a distinct advantage to both the manufacturers and the weavers if the manufacturers, who have a close involvement in weaving activities, were to have a minority share in the new Company.

We consider that the weaving company should be set up as a Limited Liability Company with an authorised and issued share capital of £100,000 allocated as follows:

H. I. D. B.	40%	£40,000
Manufacturers	30%	£30,000
Weavers	30%	£30,000

Obviously /

Weaving Share of Capital £30,000

Clearly there may be problems in writing the weaver's instrument. The solution might be for the weavers to form a trust set up on their behalf. On the other hand the 250,000 contribution towards shares might be made by way of a low interest loan from the O. & G.M.U. or from some other source.

This loan could be repaid by the Trust over a period of years either by weekly contributions deducted from weavers' earnings or from some other source of income.

The Weavers' Share Association cannot by its Articles of Association invest directly in a trading Company.

XII. CONCLUSIONS

- (1) It must be emphasised that these proposals are essentially a basis for discussion and we acknowledge that the complex nature of many of the problems of the industry will give rise to differing views on how they should be solved. It is, however, our view that prolonged consideration of these proposals leading to unreasonable delays in arriving at agreement on the main issues would be detrimental to the industry as a whole.
- (2) Implementation of the proposals cannot proceed without total agreement on them by all the parties involved in the discussions.
- (3) The proposed Amendment to the Orb Mark Regulations is of crucial importance to these proposals as it will not be possible to produce power woven double-width Harris Tweed without the change taking place.
- (4) If the proposals contained in this report are implemented then the aim would be to have all double-width weaving carried out in the weaving units. Agreement would require to be reached with the Manufacturers concerning the future of existing double-width capacity in the Mills.

JULY, 1975.

MANUFACTURE RECOMMENDATIONS

After careful consideration of the annexed Draft Report of the Sub Committee, it is our opinion that, in the main, the recommendations are acceptable to the members of our Committee.

As the whole double width weaving programme will depend on the operational efficiency of the individual units, it is obvious to us that members of the H.S.A.C. are extremely concerned about the implications of Paragraph X. ("control of the weaving units"), and we believe that two fundamental points must be made as these are necessary to the participation of the H.S.A.C. in the scheme.

1. The objects of the weaving holding Company will not include the making of profit for distribution in any form to shareholders. Profits generated are to be used solely for capital repayments of the borrowings necessary for the current proposals, new capital investment and for replacement. Weaving charges will be based on that principle. (See Para. XI)
2. The H.S.A.C. will require to be satisfied that the operational arrangements of the units meet their requirements.

B.M. BURNS

A. Hay

Sub Committee Representatives of the
Hebridean Spinners Advisory Committee

PROPOSED AMENDED REGULATIONS GOVERNING THE
USE OF THE HARRIS TWEED CERTIFICATION MARK

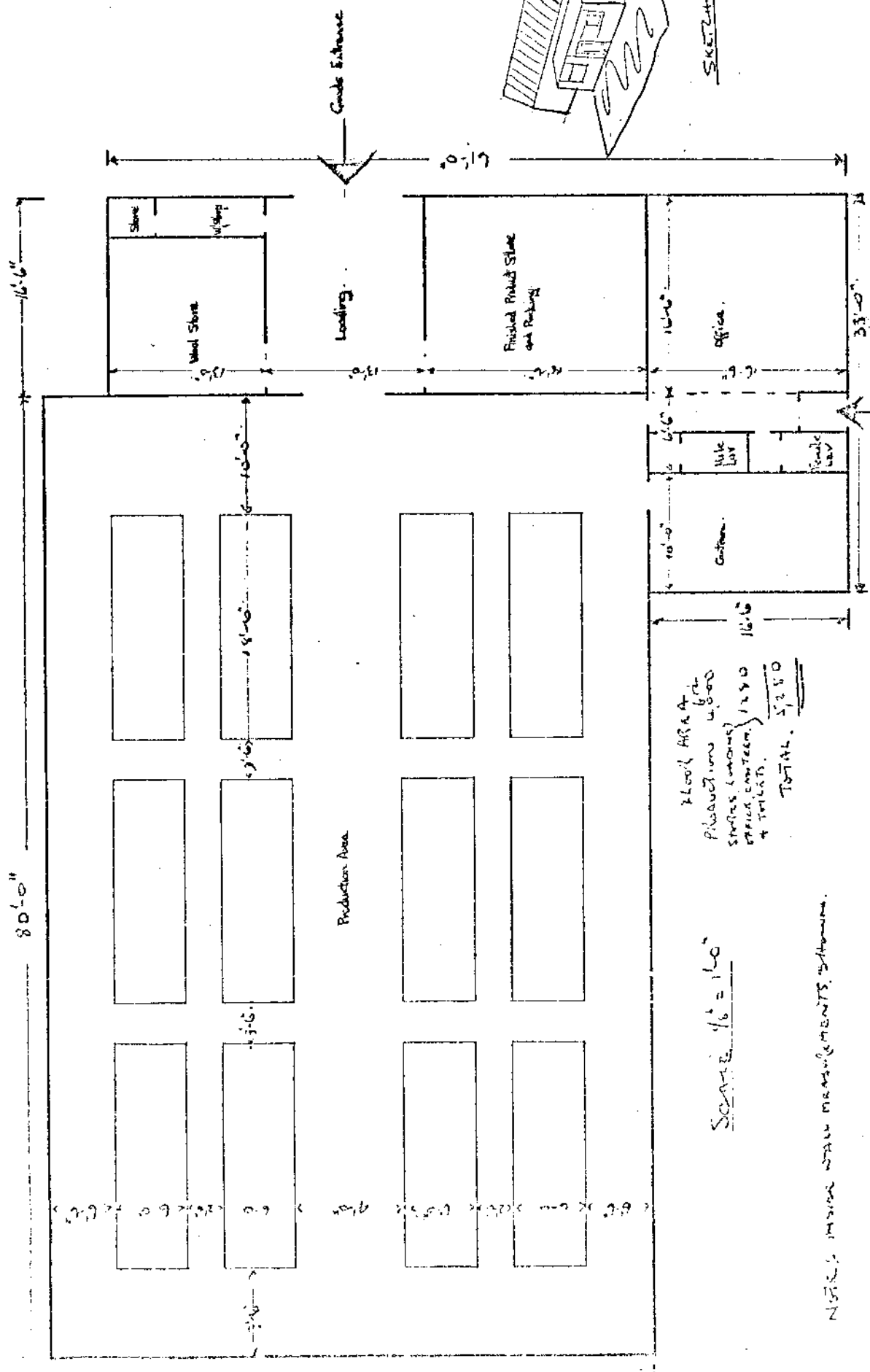
"The mark shall only be affixed to Harris Tweed which is produced:

- (1) from pure virgin wool produced in Scotland and is
- (2) wholly manufactured in the islands of Lewis, Harris, Uist, Barra and their several purlenances and all known as the Outer Hebrides and is either
- (3) (a) handwoven by the islanders at their homes in which case it will be clearly marked as "Handwoven" or
(b) woven by the islanders within the crofting townships and in premises approved by the Association and
- (4) manufactured to the technical specifications and standards for the tweed for the time being approved by the Association."

and further that:

"A distinctive mark will be applied to the tweed woven in "Harris", "Lewis", "Uist" or "Barra" as the case may be."

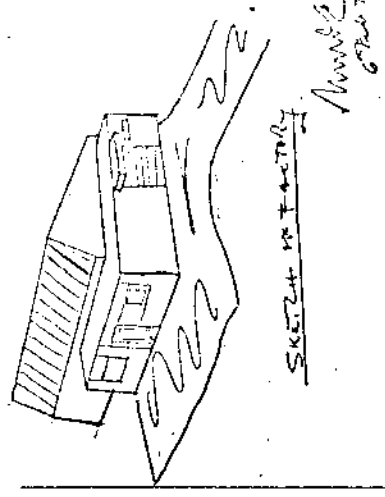
NOTE: The quality standard referred to in the letter to DPCP is contained in provision (4) and a suitable form of words to describe the specification is being discussed.



2000 AREA
 PRODUCTIONS 4500
 STORES (WOODS) 150
 CANTINE
 + LAVS
 TOTAL 5250

Scale 1/4" = 1'-0"

NOTES: DIMENSIONS ARE APPROXIMATE.

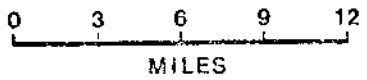
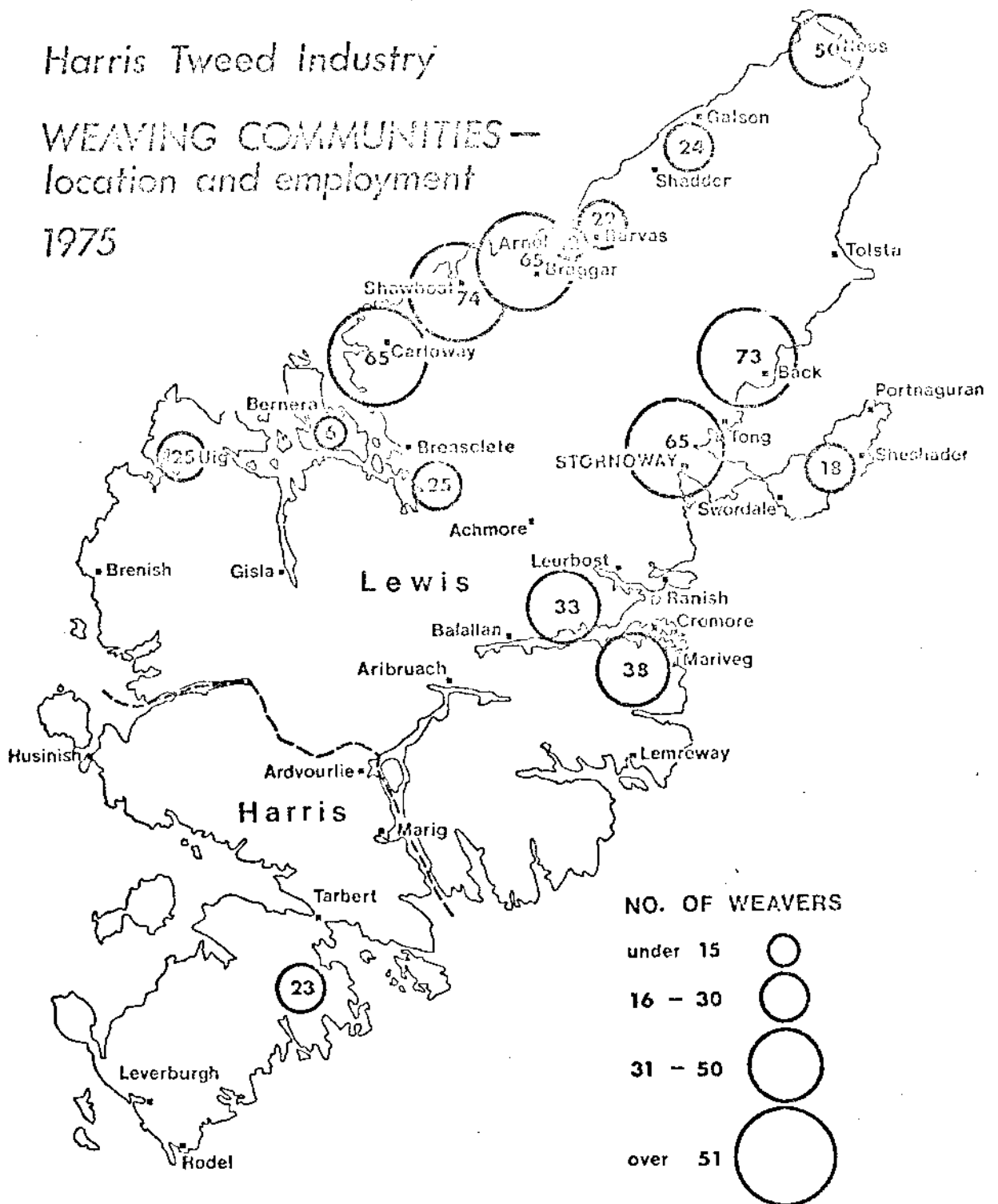


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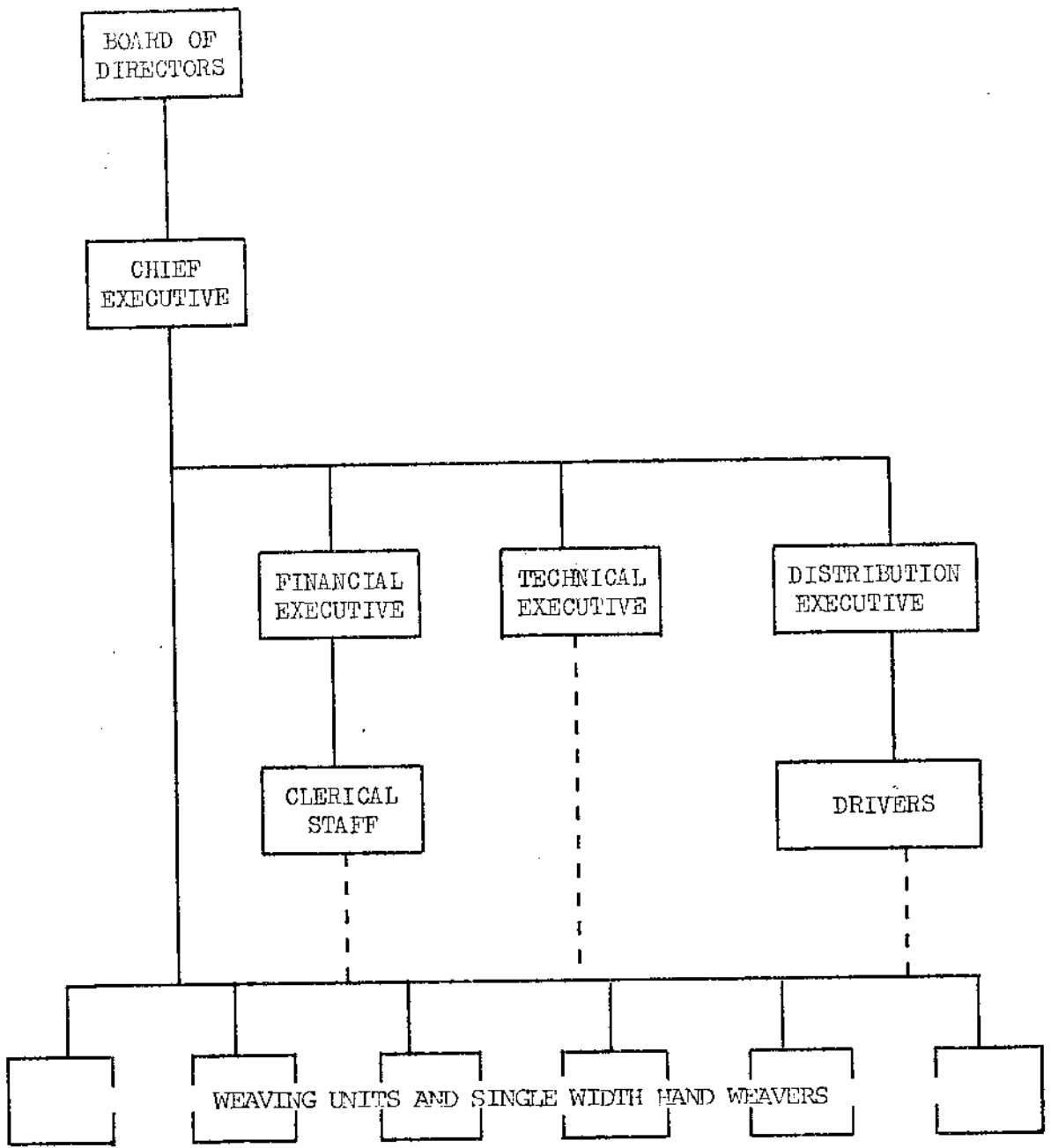
Harris Tweed Industry

WEAVING COMMUNITIES — location and employment

1975



HARRIS TWEED INDUSTRY
HARRIS TWEED WEAVING COMPANY LIMITED
ORGANISATION CHART



HARRIS TWEED INDUSTRY

APPENDIX V

PROJECTION OF OUTPUT AND WEAVERS EMPLOYED 1976 - 1980
 BASED ON USE OF WILSON AND LONGINGTON POWER LOOMS

YEAR	1977 CAP TOTAL OUTPUT		OUTPUT PER ANNUM (IN MILLIONS OF LINEAR YARDS)						No of Units (12 looms each)	WEAVERS EMPLOYED				YEAR		
	Single Width	Double Width	In 2nd Year	Double Width Production	Double Width Gross Value	Total In Double- Width Value	EXPRESSED IN "FULL-TIME WEAVERS"				ACTUAL					
							Single Width			Double Width		Single Width	Double Width		Total	Total
							Single Width	Double Width		Single Width	Double Width					
1974	3	4	5	6	7	7	8	9	10	11	12	13	14			
1975	100	3.40	1.70	-	1.70	1.70	-	290	-	290	630	-	630	1974		
1975	100	3.40	1.70	-	1.70	1.70	-	290	-	290	630	-	630	1975		
1976	100	3.40	1.90	-	1.90	1.90	-	324	-	324	630	-	630	1976		
1977	76	3.16	1.58	0.51	2.09	2.09	3	270	36	306	587	36	623	1977		
1978	72	2.20	1.10	1.20	2.30	2.30	6	188	72	260	408	72	480	1978		
1979	11	0.56	0.28	3.25	2.53	2.53	9	48	108	156	104	103	212	1979		
1980	10	0.53	0.28	3.50	2.78	2.78	10	48	120	168	104	120	224	1980		
1981	6	0.24	0.17	2.75	2.92	2.92	11	29	132	161	63	132	195	1981		

NOTE:

- Column 7 is based on the Inbuccon/AIC Management Consultants Report dated January 1975 (P. 19)
- Column 8 is in accordance with the programme for introduction of weaving units
- Column 9 has been calculated according to the number of units in production and assuming the following rates of efficiency:
 1977 5%; capacity; 1978 6%; capacity; 1979 and thereafter 7.5% capacity
- Column 4 & 5 represent the residue of production required to meet total output after allowing for the unit production in Column 6
- Column 2 & 3 show percentages calculated from Columns 5, 6 and 7
- Column 9 has been calculated from Column 5 on the basis that working full-time at reasonable efficiency a weaver can produce 11,712 single width yards (5,856 double width yards) per annum on a Hattersley Manual loom
- Column 10 & 13 are based on the operation of 2 shift working with employment of 6 persons per unit per shift
- Column 12 for 1974, 75 and 76 figures have been taken at the actual level in October 1974. The remaining years have been calculated in proportion to Column 9
- No allowance for the effects of inflation has been made in these projections.

HARLES TREMBLÉ INDUSTRY

PROJECTION OF CUTTUT AND WEAVING EMPLOYED - 1976 - 1982

BASED ON USE OF DORNIER OR SOMER POWER LOOMS

YEAR	AGE OF TOTAL CRAFT		CUTTUT PER ANNUM (IN MILLIONS OF LINEAR YARDS)				No. of Units (12 looms each)	WEAVERS EMPLOYED				YEAR	
			In Single Width Cloth		Double Width Cloth			EXPRESSED IN "FULL-TIME WEAVERS"		ACTUAL			
			In Single Width	Double Width	Total	In Double Width		Total	Single Width	Double Width	Total		
-	2	3	4	5	6	7	8	9	10	11	12	13	14
1974	100	-	3.20	1.70	-	1.70	-	290	-	290	630	-	630
1975	100	-	3.40	1.70	-	1.70	-	290	-	290	630	-	630
1976	100	-	3.50	1.90	-	1.90	-	324	-	324	630	-	630
1977	63	37	2.92	1.31	0.78	2.09	3	224	48	272	487	48	535
1978	15	81	0.88	0.44	1.86	2.30	6	75	96	171	163	96	269
1979	6	92	0.39	0.19	2.34	2.53	6	32	96	128	70	96	166
1980	6	94	0.36	0.18	2.50	2.78	7	31	112	143	67	112	179
1981	2	98	0.12	0.06	2.86	2.92	8	10	128	138	22	128	150

NOTE:

- Column 7 is based on the Inhouse/AIC Management Consultants Report dated January 1975 (P. 19)
 - Column 8 is in accordance with the programme for introduction of weaving units
 - Column 9 has been calculated according to the number of units in production and assuming the following rates of efficiency: 1977 50% capacity; 1978 60% capacity; 1979 and thereafter 75% capacity
 - Column 10 represent the residue of production required to meet total output after allowing for the unit production in Column 6
 - Column 11 show percentages calculated from Columns 5, 6 and 7
 - Column 12 has been calculated from Column 5 on the basis that working full-time at reasonable efficiency a weaver can produce 11,712 single width yards (5,856 double width yards) per annum on a Dornier Manual loom
 - Column 13 are based on the operation of 2 shift working with employment of 8 persons per unit per shift
 - Column 14 for 1976, 75 and 76 figures have been taken at the actual level in October 1974. The remaining years have been calculated in proportion to Column 9
- No allowance for the effects of inflation has been made in these projections.

APPENDIX VII

HARRIS TWEED INDUSTRY

HARRIS TWEED WEAVING CO LTD

Subsidiary Statement of Individual Unit Performance
Projections for 3 years to 31/12/79

	<u>1977</u>	<u>1978</u>	<u>1979</u>
Production per week in double width linear yards	3,547	4,256	5,320
Production per annum (48 weeks) (a)	170,000	200,000	250,000
Rate per yard (b)	<u>30p</u>	<u>30p</u>	<u>30p</u>
	£	£	£
GROSS INCOME PER UNIT (a) x (b)	51,000	60,000	75,000
UNIT WORKER EARNINGS (12 x £40 per wk in 1974) (including NI etc)	<u>26,000</u> 25,000	<u>27,000</u> 33,000	<u>27,000</u> 48,000
OVERHEADS			
Weaving Unit Expenses			
Rental of buildings	2,167	2,167	2,167
Loom depreciation	12,000	12,000	12,000
Rates and Insurance	1,667	1,667	1,667
Heat, Light and power	3,666	3,666	3,666
Sundries	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
	20,500	20,500	20,500
DISTRIBUTION (Allocation from central distribution budget)	1,000	1,333	1,555
ADMINISTRATION (Allocation from central administration budget)	<u>5,000</u>	<u>3,917</u>	<u>4,278</u>
	<u>26,500</u>	<u>25,750</u>	<u>26,333</u>
TRADING SURPLUS/(DEFICIT) PER UNIT	<u>(1,500)</u>	<u>7,250</u>	<u>21,667</u>

APPENDIX VIII

HARRIS TWEED INDUSTRY

HARRIS TWEED WEAVING CO LTD

Subsidiary Statement of Single-width Weavers Performance
Projections for 3 Years to 31/12/79

	1977	1978	1979
Production in Single Width linear yards	3,160,000	2,200,000	560,000
Equivalent Weavers' yards (a)	<u>1,185,000</u>	<u>825,000</u>	<u>210,000</u>
Rate per yard(1974: 50p approx)(b)	50.00	50.00	50.00
Plus 5% handling charge	2.50	2.50	2.50
(c)	<u>52.50</u>	<u>52.50</u>	<u>52.50</u>
	£	£	£
GROSS INCOME (a) x (c)	622,000	433,000	110,000
WEAVERS' EARNINGS (a) x (b)	<u>592,000</u>	<u>413,000</u>	<u>105,000</u>
	30,000	20,000	5,000
OVERHEADS			
Distribution:			
(Allocation from central distribution budget based on volume of production)	10,000	7,500	2,000
Administration:			
(Allocation from central administration budget - Basis: Actual where possible otherwise apportioned on volume of production)	24,000	17,500	5,000
	<u>34,000</u>	<u>25,000</u>	<u>7,000</u>
SURPLUS/(DEFICIT)	<u>(4,000)</u>	<u>(5,000)</u>	<u>(2,000)</u>

HARRIS TWEED INDUSTRY

HARRIS TWEED WEAVING CO LTD

Projected Accounts for 3 Years to 31/12/79 (£000's)

		1977 (3 Sheds)	1978 (6 Sheds)	1979 (9 Sheds)
TRADING				
GROSS INCOME	Units	153.0	360.0	675.0
	Hand weaving	622.0	433.0	110.0
		<u>775.0</u>	<u>793.0</u>	<u>785.0</u>
WEAVERS' EARNINGS	Unit Workers	78.0	162.0	243.0
	Hand Weavers	592.0	413.0	105.0
		<u>670.0</u>	<u>575.0</u>	<u>348.0</u>
		<u>105.0</u>	<u>218.0</u>	<u>437.0</u>
OVERHEADS				
Weaving Unit Expenses:				
	Rental of buildings	6.5	13.0	19.5
	Loom depreciation	36.0	72.0	108.0
	Rates and insurance	5.0	10.0	15.0
	Heat, Light and Power	11.0	22.0	33.0
	Sundries	3.0	6.0	9.0
		<u>61.5</u>	<u>123.0</u>	<u>184.5</u>
Distribution Expenses:				
	Wages and associated costs	4.5	6.0	4.5
	Vehicle running costs (incl. repairs)	5.5	6.5	7.0
	Vehicle depreciation	3.0	3.0	4.5
		<u>13.0</u>	<u>15.5</u>	<u>16.0</u>
General Administration:				
	Executive Salaries	16.0	16.0	16.0
	Clerical salaries and wages	5.5	5.5	4.0
	Travelling	4.0	4.0	4.0
	Postage, stationery & telephone	4.0	4.5	5.0
	Rent, rates & insurance	3.0	3.0	3.0
	Heating & lighting	1.0	1.0	1.0
	Repairs & renewals	2.0	2.0	2.0
	Charges for office machinery	1.0	1.0	1.0
	Miscellaneous expenses	2.5	4.0	7.5
		<u>39.0</u>	<u>41.0</u>	<u>43.5</u>
		<u>113.5</u>	<u>179.5</u>	<u>244.0</u>
TRADING SURPLUS/(DEFICIT)		<u>(8.5)</u>	<u>38.5</u>	<u>193.0</u>

HARRIS TWEED INDUSTRY
Harris Tweed Weaving Company Ltd.

Projected Accounts £'000's

Summarised Profit & Loss and Cash Flow for 4 Years to 31.12.79

	1976	1977	1978	1979
<u>PROFIT & LOSS ACCOUNT</u>				
Turnover	---	<u>775.0</u>	<u>793.0</u>	<u>785.0</u>
Trading surplus/(Deficit)		(8.5)	38.5	193.0
Before charging int. payable	15.0		29.0	36.5
Starting up exps. written off	7.5		15.0	22.5
	<u>22.5</u>		<u>44.0</u>	<u>59.0</u>
Less R.D.G. Credit	7.0	15.5	14.5	21.5
Profit/(Loss) before taxation		(24.0)	9.0	155.5
Provision for taxation		-	-	50.5
		<u>(24.0)</u>	<u>9.0</u>	<u>105.0</u>
Dividends payable		-	-	7.0
<u>Profit/(Loss) retained</u>		<u>(24.0)</u>	<u>9.0</u>	<u>98.0</u>
<u>CASH FLOW STATEMENT</u>				
Profit/(Loss) before taxation		- (24.0)	9.0	155.5
Add back: Depreciation	40.5		76.5	114.0
Starting up expenses written off	7.5		15.0	22.5
	<u>48.0</u>		<u>91.5</u>	<u>136.5</u>
Less R.D.G. Credit	7.0	41.0	14.5	21.5
Add: Share Capital	100.0	-	-	-
Loans	120.0	140.0	100.0	-
R.D.G. Received	-	36.0	36.0	36.0
<u>Gross Inflow</u>	<u>220.0</u>	<u>193.0</u>	<u>222.0</u>	<u>306.5</u>
Utilisation: Purchase of Fixed Assets	199.0	180.0	187.0	60.0
Starting up Expenses	45.0	-	-	-
Increase/(Decrease) in Working Cap.	6.0	20.0	13.0	-
Taxation paid	-	-	-	-
Dividends paid	-	-	-	-
Loan Repayments	-	-	30.0	65.0
	<u>250.0</u>	<u>200.0</u>	<u>230.0</u>	<u>125.0</u>
<u>NET INFLOW/(OUTFLOW)</u>	<u>(30.0)</u>	<u>(7.0)</u>	<u>(8.0)</u>	<u>181.5</u>
<u>CUMULATIVE INFLOW/(OUTFLOW)</u>	<u>(30.0)</u>	<u>(37.0)</u>	<u>(45.0)</u>	<u>136.5</u>

HARRIS TWEED INDUSTRY

HARRIS TWEED WEAVING CO LTD

Projected Financial Requirements for 4 Years to 31/12/79

<u>Year of expenditure</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
(Year brought into use)	(1977)	(1978)	(1979)	(1980)
(Number of units in operation)	(3)	(6)	(9)	(10)
<u>Items of equipment and cost per item</u>				
Looms	36	36	36	12
@	£5,000	£5,000	£5,000	£5,000
Vehicles: Lorries	1		1	
@	£8,600		£8,600	
Vans/Cars	2		(1) sold	
@	£2,800			
Office equipment	Various			
say	£4,800			
FINANCIAL REQUIREMENTS				
	£	£	£	£
<u>Capital Expenditure</u>				
Looms	180,000	180,000	180,000	60,000
Vehicles	14,200	-	7,000	-
Office equipment	4,800	-	-	-
<u>Starting-up expenditure</u>	45,000	-	-	-
<u>Working Capital (Increase/Decrease)</u>				
Weavers earnings (1 week)	-	13,000	(2,000)	(4,000)
Maintenance stores (say)	5,000	5,000	5,000	2,000
Cash in hand	1,000	2,000	10,000	2,000
	<u>250,000</u>	<u>200,000</u>	<u>200,000</u>	<u>60,000</u>
SOURCES OF FUNDS				
Share Capital	100,000			
Loan Capital	120,000	140,000	100,000	-
Regional Development Grant	-	36,000	36,000	36,000
Retained earnings	-	17,000	56,000	69,000
Bank Overdraft - Increase/(Decrease)	30,000	7,000	8,000	(45,000)
	<u>250,000</u>	<u>200,000</u>	<u>200,000</u>	<u>60,000</u>
SURPLUS FUNDS RETAINED (from earnings)				<u>136,500</u>

HARRIS TWEED INDUSTRY

Comparison of Financial Requirements

	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
	£'000	£'000	£'000	£'000
PROJECTION 1 (W & L)				
Looms	180	180	180	60
Office equipment and vehicles	19	-	7	-
Working capital etc	<u>51</u>	<u>20</u>	<u>13</u>	<u>-</u>
TOTAL REQUIREMENT (COMPANY)	250	200	200	60
Less: Generated from profits	<u>-</u>	<u>17</u>	<u>86</u>	<u>270</u>
REQUIRED FROM OUTSIDE SOURCES	250	183	114	(210)
Less: Regional Development Grants	<u>-</u>	<u>36</u>	<u>36</u>	<u>36</u>
FUNDS REQUIRED/(SURPLUS GENERATED) BY COMPANY:				
ANNUAL	<u>250</u>	<u>147</u>	<u>78</u>	<u>(246)</u>
CUMULATIVE	<u>250</u>	<u>397</u>	<u>475</u>	<u>229</u>
BUILDING COSTS:				
ANNUAL	<u>233</u>	<u>233</u>	<u>233</u>	<u>78</u>
CUMULATIVE	<u>233</u>	<u>466</u>	<u>699</u>	<u>777</u>
TOTAL FUNDS TO BE RAISED (all at 1974 values):				
ANNUAL	<u>483</u>	<u>380</u>	<u>311</u>	<u>(168)</u>
CUMULATIVE	<u>483</u>	<u>863</u>	<u>1,174</u>	<u>1,006</u>
PROJECTION 2 (Dornier) / (Somet)				
Looms	450	450	-	150
Office equipment & vehicles	19	-	7	-
Working capital etc	<u>56</u>	<u>20</u>	<u>(7)</u>	<u>-</u>
TOTAL REQUIREMENTS (COMPANY)	525	470	-	150
Less: Generated from profits	<u>-</u>	<u>43</u>	<u>172</u>	<u>325</u>
REQUIRED FROM OUTSIDE SOURCES	525	427	(172)	(175)
Less: Regional Development Grant	<u>-</u>	<u>90</u>	<u>90</u>	<u>-</u>
FUNDS REQUIRED/(SURPLUS GENERATED) BY COMPANY:				
ANNUAL	<u>525</u>	<u>337</u>	<u>(262)</u>	<u>(175)</u>
CUMULATIVE	<u>525</u>	<u>862</u>	<u>600</u>	<u>425</u>
BUILDING COSTS:				
ANNUAL	<u>233</u>	<u>233</u>	<u>-</u>	<u>78</u>
CUMULATIVE	<u>233</u>	<u>466</u>	<u>466</u>	<u>544</u>
TOTAL FUNDS TO BE RAISED (all at 1974 values):				
ANNUAL	<u>758</u>	<u>570</u>	<u>(262)</u>	<u>(97)</u>
CUMULATIVE	<u>758</u>	<u>1,328</u>	<u>1,066</u>	<u>969</u>

C O N T E N T S

18-4717-1

I	INTRODUCTION
II	PROPOSAL CONCERNING THE COTTON WEAVING INDUSTRY
III	FACTORS INVOLVED: <ol style="list-style-type: none">1. Power looms to be introduced into the industry2. A strong and efficient Marketing Organization to be set up.3. Power weaving of all double width cloth to take place in weaving units only in the clothing areas; each unit to have probably 12 power looms.4. Each unit to operate for 16 hours daily on a 2 shift basis on a 5 day week or on some equivalent basis. A minimum wage for unit workers to be agreed.5. The units to be branches of a new holding company.6. Structure of new company as described in Para. XII.7. The new Company to be based in Stormont.
IV	FINANCIAL CONSIDERATIONS
V	COSTS REQUIRED FOR DOUBLE WIDTH POWER WEAVING
VI	WEAVING UNITS
VII	LOCATION OF WEAVING UNITS
VIII	THE NEW DOUBLE WIDTH LOOM
IX	EMPLOYMENT AND WORKING CONDITIONS IN THE WEAVING UNITS
X	CONTROL OF THE WEAVING UNITS
XI	THE HARRIS TWEED WEAVING COMPANY: <ol style="list-style-type: none">1. Functions2. Board of Directors3. Management and Staffing4. Production5. Distribution6. Pre-Trading Operation7. Office Premises8. Projected Output, Employment, Financial results9. Alternative Loom10. Funding11. Single width weaving12. Structure of the H.T.W.C.
XII	CONCLUSIONS
	APPENDICES /

ANNEXURES:

- I Proposed suggested Regulations governing the use of the Harris Tweed Certification Mark.
- II Plan of Weaving Unit.
- III Suggested sites for weaving units.
- IV Organisation Chart of the proposed Weaving Company.
- V Projection of output and weavers employed - Wilson & Loughbottom looms.
- VI Projection of output and weavers employed - Dornier or Somet looms.
- VII Projection of individual Weaving Unit performance.
- VIII Projection of Single-width Weavers' performance.
- IX Harris Tweed Weaving Company's projected Trading Accounts.
- X Projection of Harris Tweed Weaving Company's Profit and Loss Accounts and Cash Flow.
- XI Estimated financial requirements.
- XII Comparison of financial requirements.

THE INTRODUCTION OF DOUBLE WIDTH WEAVING

I. INTRODUCTION

Harris Tweed is the largest single employer of labour in the Western Isles. The Industry has developed from a hand-woven cottage craft employment into a sophisticated and vital part of the Islands' economy, involving substantial investment on the part of the Harris Tweed Manufacturers and the Weavers and selling its famous product world wide.

The investment was generated by the industry itself

The name of the cloth is safeguarded by the Orb Trade Mark which is held and controlled by the Harris Tweed Association on behalf of the islanders. One of the key definitions of the 'Orb Mark' is that Harris Tweed must be hand woven by the weavers at their own homes and there were very good social reasons for this requirement to be maintained as an essential feature of the Orb Mark regulations. It has helped to preserve employment in the crofting townships and has provided a much needed additional source of revenue to the crofters and their families.

In the past five years there has been an even more significant decline in the demand for Harris Tweed than has been the case in the Textile Industry as a whole. For various reasons the number of major manufacturing companies in the industry has been reduced from seven to three and the number of weavers employed in the industry has fallen from about 1100 to an estimated 630.

There are many contributing factors to this decline, among them being poor marketing strategy and a change in consumer requirements away from tweed, but perhaps most important of all a loss of interest in Harris Tweed due to the constrictions brought about by its being a narrow width cloth.

last part of paragraph not correct.

The continuation of narrow-width production as the sole form of Harris Tweed will inhibit a possible expansion of sales and could lead to further decline in turnover; and certainly the competitive position of Harris Tweed will be worsened by the higher weaving cost of hand woven narrow width cloth.

Nonsense

In so far as the weavers are concerned the present ^{l-}unsatisfactory working conditions will continue and this will deter young islanders from entering the industry. This, in turn, will have serious consequences, not only on the industry itself but also on the economy and well-being of the islands.

Nonsense, there was never a shortage of weavers in the industry.

If the Harris Tweed Industry is to develop, then clearly it must be on the basis of a mixture of power-woven cloth and traditional single-width hand-woven cloth. The possibility of hand-woven double-width production has been investigated in some detail. Investigation showed that this is theoretically feasible, but the capital costs and poor returns on such an operation made it an impractical proposition.

Nonsense, The Harris Tweed Industry would never have developed on basis of power weaving.

This inevitably led to the conclusion that the only valid alternative was the introduction of power looms on a basis which allowed the weavers to work in their own communities with the benefits of modern standards of employment.

Propaganda

This report outlines how double-width power weaving in township weaving units might be introduced. There can, of course, be variations of how such a programme /

programme could be achieved. Whichever formula, if any, is used it would require to be acceptable to all parties involved in the industry before it could be successfully accomplished.

In preparing this report we have assumed the following levels of Harris Tweed sales, expressed in double-width linear yards:

1975	1,700,000
1976	1,900,000
1977	2,090,000
1978	2,300,000
1979	2,530,000
1980	2,780,000
1981	2,920,000

These figures are based on a forecast prepared by Imbucon/A.I.C. Management Consultants in their Market Report which we consider to be a reasonable estimate of what might be achieved.

II. PROPOSED CHANGES IN THE ORB MARK DEFINITION

The current 'Orb' trade mark definition precludes the sale of power woven cloth as Harris Tweed. Until the Department of Trade agree to amend the definition of the Harris Tweed trade mark to allow for power woven cloth there can be no change in the present method of weaving.

The H.T.A. are in the course of making a submission to the D.T.I. for an amendment to the Regulations governing the production of Harris Tweed. Details of the Association's submission are attached as Appendix I.

In the event that the Association is unsuccessful in having the definition amended to allow for power weaving we do not consider that it would be prudent to proceed with power weaving as proposed in this report without the protection of the Orb Mark and the use of the name "Harris Tweed". No step should be taken which would jeopardise the protection which presently exists.

III. RECOMMENDATIONS

Our recommendations for the introduction of double-width weaving into the Harris Tweed Industry are as follows:

- (1) If the H.T.A. are successful in their submission for an amendment to the Regulations, then power looms for the production of double-width cloth should be introduced into the Industry at a reasonable speed consistent with social considerations.
- (2) A strong, centralised marketing organisation, approved by all sections of the industry and the H.I.D.B. must be set up with responsibility for the effective marketing of Harris Tweed.
- (3) /